

THE DEPARTMENT OF STATE BULLETIN

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APR 29 '45

The Mexico City Conference and the Inter-American System

By

DANA G. MUNRO¹

ONE OF THE CHIEF purposes of the Inter-American Conference on Problems of War and Peace was to strengthen the inter-American system and to consider its relationship to the world Organization outlined in the Dumbarton Oaks Proposals. For five years, since the outbreak of the war in Europe, the governments represented at the conference, and this included every American state except Argentina, had been working together to protect their common interests. Since Pearl Harbor, they had been contributing actively to the war effort, and by the time when they met at Mexico City all the republics represented had entered the conflict as belligerents. The problems which were arising as the result of this partnership and the prospect that other complicated problems would arise in the post-war era made it necessary to consider whether still more effective means for cooperation could not be devised.

The system of treaties and institutions and agencies which form the framework of inter-American cooperation had its formal beginning with the First Pan American Conference in 1889. This meeting set up the International Bureau of American Republics, which later became the Pan American Union, and adopted agreements dealing with compulsory arbitration of pecuniary claims, inter-American trade, and sanitary problems. Subsequent conferences, meeting in normal times at five-year intervals, continued to work along the same lines, and gradually expanded their activities into broader fields of common interest.

At first the practical results of inter-American cooperation were not very great. There were bitter controversies between several of the Latin American countries, and throughout the continent there was dislike and suspicion of some of the policies of the United States. Many of the other republics, furthermore, had closer commercial and

cultural ties with Europe than with us. As time went on, however, these obstacles to cooperation tended to disappear, and there was a growing realization that the American nations, despite differences in language and culture, had common aspirations and interests which made pan-Americanism something more than a vague ideal. They all believed in the pacific settlement of international disputes and in the sanctity of treaties, and successive inter-American conferences expressed their adherence to these principles. They also believed in democracy, even though it was clear that social conditions in many of the American states would make the achievement of democratic government a long and painful process.

A realization of these common interests was evident during the first World War, when the majority of the other republics of the continent either broke off relations with the Central Powers or, in several cases, declared war. It again became evident when the basic principles of American political life were challenged by the rise of Fascism and National Socialism in Europe. It is true that there were groups in many of the American countries for whom totalitarian doctrines had a strong appeal. Some military leaders were influenced by the success of German arms, and some vested political interests saw in Fascism a possible means of retaining power in the face of growing pressure from more liberal elements. But among the great majority of people the reaction was much the same in Latin America as in the United States. The rise of the Fascist menace consequently drew the nations of the continent closer together than ever before.

Cooperation in the war effort set up a new relationship between the American nations and created many new problems. Many of these could be dealt

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with through normal diplomatic channels, but others required consideration by the American republics as a group, and it was to deal with matters of this latter type that the Conference on Problems of War and Peace met in Mexico City in February 1945. The work of the conference covered a wide range of subjects. This article will discuss only that part of it which related to the political relations between the countries of the hemisphere and the organizational framework of the inter-American system. Three of the agreements reached—the Act of Chapultepec, the resolution entitled “Reorganization, Consolidation, and Strengthening of the Inter-American System”, and the resolution on the world Organization—were especially important.

The Act of Chapultepec,² by which the American republics agreed to defend one another against aggression from any source, went further toward joint action for mutual defense than any previous agreement. The elimination of the use of force in international relations had been a major objective of each inter-American conference since the first one in 1889, and several treaties had been signed establishing machinery to assure the peaceful settlement of disputes. At the Lima conference in 1938 these treaties were supplemented by an agreement for consultation with a view to common action if the peace and security of any American republic was threatened. The Meeting of Foreign Ministers at Habana in 1940 went further and declared that any attempt on the part of a non-American state against the integrity or inviolability of the territory, the sovereignty, or the political independence of an American state would be considered an act of aggression against all the American states.³ The American republics had thus expressed their determination to stand together against any attacks from outside of the hemisphere, and the prompt and effective help which the other American nations gave the United States in the dark days after Pearl Harbor showed how real this determination was. Neither the declaration of Lima nor the resolution of the Habana conference, however, afforded any definite assurance of support to an American state attacked by another American state.

Before the Mexico City conference some of the other American governments had proposed a gen-

eral guaranty against aggression, and the United States Government had expressed its approval of the general idea. The need for such action was perhaps more evident than at any other time in recent years. In a few countries internal political dissensions and the economic dislocation caused by the war had increased the influence of ultra-nationalistic, militarist groups whose activities not only endangered democratic government in their own countries but also aroused distrust and alarm in neighboring states. There was more than a possibility that such groups might be tempted to stir up international controversies or even to precipitate conflicts with other countries as a means of gaining or retaining power. An assurance that all of the other countries would oppose such moves would obviously strengthen the hands of the democratic elements and would make it easier for all of the American republics to concentrate their efforts on the prosecution of the war.

Uruguay and Colombia presented carefully worked out proposals for a guaranty of territorial sovereignty, and these proposals, with less detailed projects from other delegations, were combined by a subcommittee of the conference into a project which was laid before the Committee on Inter-American Organization. In its original form this provided for a pledge by all of the American states to use any necessary measures, including force of arms, to check an aggression by one state against another, and it made action by all of the American nations obligatory if a majority of the 21 governments voted that action should be taken. The American Delegation was not able to accept the resolution in this form, but after prolonged discussions, in which Senators Connally and Austin were especially helpful, a new formula was agreed upon.

The Act of Chapultepec as finally adopted comprises three sections. Part I declares that all sovereign states are juridically equal, that every state has the right to respect for its individuality and independence, and that

“every attack of one State against the integrity or inviolability of the territory, or against the sovereignty or political independence of an American State, shall . . . be considered as an act of aggression against the other States which sign this Act. In any case invasion by armed forces of one State into the territory of another trespassing the boundaries established by treaty and

² BULLETIN of Mar. 4, 1945, p. 339.

³ BULLETIN of Aug. 24, 1940, p. 136.

demarcated in accordance therewith shall constitute an act of aggression."

The declaration lists a number of steps which may be taken to prevent aggression, ranging from the recall of chiefs of diplomatic missions through the suspension of economic relations to the use of armed force, and provides that the signatory countries will consult in order to agree upon such steps as may be necessary to check any threats or acts of aggression during the war period. Both the United States and the other American countries could properly agree to action of this character while the war continues because all of the countries signatory to the agreement are Allies, and an attack on any one of them would be an interference with the common war effort. The act thus is in effect as a pledge of support, now and so long as the war continues.

Part II recommends the conclusion of a permanent treaty establishing procedures whereby threats or acts of aggression may be prevented. The scope of this treaty is not defined, because it will of course have to be drafted in such a way as not to conflict with any obligations which may be assumed by the American nations in a world security organization. This fact is brought out in Part III, which declares that the act constitutes "a regional arrangement for dealing with such matters relating to the maintenance of international peace and security as are appropriate for regional action in this Hemisphere", and provides that "The said arrangement, and the pertinent activities and procedures, shall be consistent with the purposes and principles of the general international organization, when established." It will be recalled that the Dumbarton Oaks Proposals contemplate the existence of "regional arrangements".

The Act of Chapultepec has been hailed throughout Latin America as the outstanding achievement of the conference. This general approval is a striking indication of a new spirit in inter-American relations. An agreement contemplating joint armed intervention in conflicts between American governments would have been almost unthinkable a few years ago because each government, including that of the United States, would have been too jealous of its freedom of action and because many of our neighbors would have feared to afford any possible pretext for interference in

their affairs by the United States. We have come a long way from the time when we ourselves rejected proposals for cooperative action in interpreting and applying the Monroe Doctrine and when the Doctrine was regarded with suspicion by our neighbors as a possible cloak for North American aggression.

This change in the spirit of inter-American relations was also evident when the conference approached the question of improving the machinery of inter-American cooperation. During the war years this machinery had become far more complex. The Meetings of Foreign Ministers had provided a new means for consultation in emergencies. Several special agencies had been created to deal with problems which required continuous consideration. The Inter-American Financial and Economic Advisory Committee, the Inter-American Defense Board, the Emergency Advisory Committee for Political Defense, and the Inter-American Juridical Committee were perhaps the most important of these, and there were many others working in various fields. Most of these were set up to meet the urgent needs of the war period, but it was clear that some of them would have a permanent value and that other new agencies should be created to deal with post-war problems and with the problems of the transition period. It was also evident that there was need for more effective means through which the American governments could coordinate and guide the work of the inter-American system as a whole.

Several countries had presented proposals dealing with phases of this problem, and Mexico and the United States had prepared comprehensive, detailed draft resolutions covering the whole subject. There was naturally some difference of views as to the action which should be taken, but these views were harmonized in negotiations in which Assistant Secretary Rockefeller played a leading role. The result was the resolution on the "Reorganization, Consolidation, and Strengthening of the Inter-American System".⁴

This agreement seeks to coordinate and to make more efficient the various agencies through which the American nations have worked together in dealing with matters of common interest. In the first place, it provides that the International Conferences of American States shall meet every four

⁴ BULLETIN of Mar. 4, 1945, p. 341.

years instead of every five years, and that the next one shall meet in Bogotá in 1946. These conferences formulate most of the general treaties, and they establish the basic principles which govern the joint action of the American states. In the second place, the resolution provides that regular meetings of the Ministers for Foreign Affairs shall be held annually, in the intervening period, to take "decisions on problems of great urgency and importance concerning the inter-American system and with regard to situations and disputes of every kind which may disturb the peace of the American Republics". These meetings are less formal and require less preparation than the larger conferences. They have been one of the chief means through which the American republics have been able to maintain a united front during the present war. Hitherto they have been called only in emergencies: the first one, after the outbreak of hostilities in Europe; the second, when the fall of France raised grave questions about the fate of the European colonies in America; and the third, after Pearl Harbor. The provision for regular annual meetings, with additional special meetings if a majority of the Governing Board of the Pan American Union should consider a special meeting necessary, is an expression of belief in the value of more frequent personal contact between the statesmen responsible for the foreign policies of the continent.

A third important provision entrusts new powers to the Pan American Union. The jurisdiction of the Governing Board of the Union is extended to "every matter that affects the effective functioning of the Inter-American system and the solidarity and general welfare of the American Republics". This provision represents a radical departure from previous policy, under which the Pan American Union has avoided taking any action involving significant political decisions. In its new functions the Board will form a sort of permanent committee to watch over the functioning of the inter-American system; it will afford an effective medium for prompt consultation between the American states when it does not seem appropriate to convene a special meeting of foreign ministers.

Many of the nations represented at Mexico felt that these new and weighty responsibilities could not be effectively discharged by a group whose members were primarily concerned with the dip-

lomatic representation of their governments at Washington. A proposal for a body of special representatives who would meet every six months in a different capital was not accepted, but the conference agreed that the members of the Governing Board should be persons appointed specifically for this duty and should not form a part of their government's diplomatic missions. It also accepted a suggestion of the United States that the chairman of the Board should be elected annually and should not be eligible for reelection, thus changing the present custom by which the Secretary of State of the United States always holds that position. Furthermore, it limited the terms of the Director General and the Assistant Director to 10 years and prohibited their reelection or the election of persons of their own nationality to succeed them, but this arrangement will not take effect before 1955 in the case of the Director General, nor before 1960 in the case of the Assistant Director. This indicated the conference's approval of the way in which the affairs of the Union are being conducted at the present time, and the many friends of the Director General were especially pleased when the conference adopted a resolution expressing its warmest appreciation of the excellent services rendered by Dr. Rowe and his collaborators to the cause of pan-Americanism.

The resolution dealt also with several other organs of the inter-American system which have been created for special purposes. It was agreed that three of these, the Inter-American Juridical Committee, the Emergency Advisory Committee for Political Defense, and the Inter-American Defense Board, should continue at least until the meeting of the next inter-American conference at Bogotá. A separate resolution recommended that a permanent military agency, formed of representatives of the General Staffs of each of the American republics, be set up to propose measures for better collaboration in the defense of the hemisphere. The resolution on the inter-American system created an important new agency in another field: the Inter-American Economic and Social Council, which will take the place of the Inter-American Financial and Economic Advisory Committee established at the Meeting of Foreign Ministers in 1939. The new council will serve as a coordinating agency for all official inter-American economic and social

activities. It is specifically charged with the duty of promoting social progress and raising the standard of living of all the American peoples, and it will maintain liaison with the corresponding organ of the general international Organization when that Organization is established and with existing or projected specialized international agencies in the economic and social field. Like many of the other inter-American organizations, the new council will be under the general supervision of the Pan American Union.

Some of the changes envisaged by the resolution on the inter-American system could be made by the conference, but others, which involve the modification of general inter-American treaties, will require action by the Ninth International Conference of American States when it meets next year at Bogotá. The resolution consequently instructed the Governing Board of the Pan American Union to prepare for the Bogotá conference a draft charter covering the whole problem of improving and strengthening the inter-American system. At the suggestion of the Mexican Government this charter is to include a declaration of the rights and duties of states and a declaration of the international rights and duties of man, which will be attached to the charter as annexes, so that they can be amended from time to time "to adapt them to the requirements and aspirations of international life". The first of these will presumably follow the lines of the declaration of Mexico, adopted by the conference, which restates the fundamental principles of pan-American cooperation; the second is foreshadowed in another resolution which emphasizes the idea that international protection of the "essential rights of man" would make unnecessary the diplomatic protection of citizens abroad and thus eliminate a cause of international friction. Both of these declarations were presented by the Mexican Delegation.

The change in the organization of the Governing Board, which can be made under the provisions of existing inter-American treaties, will become effective this year. The charter will consequently be drafted by the new, specially appointed representatives, who will be free from other duties and thus in a better position to undertake this important work.

Both the Act of Chapultepec and the resolution on the inter-American system contemplate a far

closer cooperation between the American states in dealing with problems prejudicial to their peace and welfare, and both contemplate a close relationship for this purpose between the inter-American system and the proposed general international Organization. Another resolution of the conference dealt specifically with the Dumbarton Oaks Proposals and accepted them as a generally satisfactory basis for the setting up of a general organization.⁵ The nations represented at the conference make clear their determination to cooperate with each other and with other peace-loving nations in the establishment of such an organization and expressed their desire "to make their full contribution, individually and by common action in and through the inter-American system, effectively coordinating and harmonizing that system with the General International Organization for the realization of the latter's objectives".

At the same time the Latin American representatives at the conference made it clear that they themselves felt that a number of changes should be made in the Dumbarton Oaks plan. This had been submitted to them before the conference and had been discussed informally with their representatives at Washington in a series of exploratory meetings designed to give a full opportunity for the expression of each country's views. The United States, because of its relationship to the Dumbarton Oaks Proposals, did not and could not appropriately join with the other participants in the conference in recommending the suggested changes. Nevertheless it made it clear that it hoped that the views of the other American nations would be freely expressed for the benefit of the forthcoming United Nations Conference at San Francisco. A committee, headed by the able Dr. Parra Perez of Venezuela, consequently compiled the opinions submitted by many of the other American governments, and it was agreed that these should be submitted to the San Francisco conference and prior to the conference be transmitted to the nations invited to attend. The committee found that there was a consensus of opinion among the Latin American governments on seven points:

"(a) The aspiration of universality as an ideal toward which the Organization should tend in the future

⁵ BULLETIN of Mar. 18, 1945, p. 449.

"(b) The desirability of amplifying and making more specific the enumeration of the principles and purposes of the Organization

"(c) The desirability of amplifying and making more specific the powers of the General Assembly in order that its action, as the fully representative organ of the international community may be made effective, harmonizing the powers of the Security Council with such amplification

"(d) The desirability of extending the jurisdiction and competence of the International Tribunal or Court of Justice

"(e) The desirability of creating an international agency specially charged with promoting intellectual and moral cooperation among nations

"(f) The desirability of solving controversies and questions of an inter-American character, preferably in accordance with inter-American methods and procedures, in harmony with those of the General International Organization

"(g) The desirability of giving an adequate representation to Latin America on the Security Council"

Taken together, the Act of Chapultepec, the resolution on the inter-American system, and the resolution on the general international Organization set forth the policy which the nations of the

Western Hemisphere propose to follow after the war. The American republics intend to take an active part in the creation of a world organization which will maintain peace and afford an opportunity for international cooperation in economic, social, humanitarian, and cultural matters. They also propose to continue to deal with purely American questions through a stronger and more effective inter-American system which will function, as a regional arrangement within a larger international framework, consistently with the principles and purposes of the general international Organization. That these two purposes are consistent is shown by the fact that the same principles inspire both the inter-American system and the world Organization. The United States has a vital interest in both. We may be glad that the strain of war and the hardly less difficult problems which loom up as peace approaches have strengthened the ties between us and the other nations of the hemisphere, and that they, like ourselves, have felt that general international organization is essential to the peace and security of all nations and that closer inter-American cooperation will advance the cause of peace and promote the economic and social progress that must underlie world peace and security.

Question Concerning Representation in Assembly Of the Proposed United Nations Organization

[Released to the press by the White House March 29]

Soviet representatives at the Yalta conference indicated their desire to raise at the San Francisco conference of the United Nations the question of representation for the Ukrainian Soviet Republic and the White Russian Soviet Republic in the Assembly of the proposed United Nations Organization.

The American and British representatives at the Yalta conference were requested by the Soviet representatives to support this proposal when it was submitted to the Conference of the United

Nations at San Francisco. They agreed to do so, but the American representatives stated that, if the United Nations Organization agreed to let the Soviet Republics have three votes, the United States would ask for three votes also.

The British and Soviet representatives stated that they would have no objection to the United States and its possessions having three votes in the Assembly if it is so desired.

These conversations at Yalta related to the submission of a question to the San Francisco conference, where the ultimate decision will be made.

Recommendation for Renewal of Trade Agreements Act

MESSAGE OF THE PRESIDENT TO THE CONGRESS

[Released to the press by the White House March 26]

TO THE CONGRESS OF THE UNITED STATES: The coming victory of the United Nations means that they, and not their enemies, have power to establish the foundations of the future.

On April twenty-fifth their representatives will meet in San Francisco to draw up the Charter for the general Organization of the United Nations for security and peace. On this meeting and what comes after it our best hopes of a secure and peaceful world depend.

At the same time we know that we cannot succeed in building a peaceful world unless we build an economically healthy world. We are already taking decisive steps to this end. The efforts to improve currency relationships by the International Monetary Fund, to encourage international investments and make them more secure by the International Bank for Reconstruction and Development, to free the air for peaceful flight by the Chicago civil-aviation arrangements are part of that endeavor. So, too, is the proposed Food and Agriculture Organization of the United Nations.

We owe it to the vision of Secretary Hull that another of the essential measures we shall need to accomplish our objective has been tested and perfected by 10 years of notably successful experience under his leadership. You are all familiar with the Trade Agreements Act, which has been on the books since 1934 and which on three occasions, since that time, the Congress has renewed. The present law expires in June of this year. I recommend that it again be renewed so that the great work which Secretary Hull began may be continued.

Under him the reciprocal-trade-agreement program represented a sustained effort to reduce the barriers which the nations of the world maintained against each other's trade. If the economic foundations of the peace are to be as secure as the political foundations, it is clear that this effort must be continued, vigorously and effectively.

Trade is fundamental to the prosperity of nations, as it is of individuals. All of us earn our

living by producing for some market, and all of us buy in some market most of the things we need. We do better, both as producers and consumers, when the markets upon which we depend are as large and rich and various and competitive as possible. The same is true of nations.

We have not always understood this, in the United States or in any other country. We have tried often to protect some special interest by excluding strangers' goods from competition. In the long run everyone has suffered.

In 1934 this country started on a wiser course. We enacted into law a standing offer to reduce our tariff barriers against the goods of any country which would do the same for us. We have entered into reciprocal trade agreements with 28 countries. Each one of these agreements reduced some foreign barriers against the exports of this country, reduced our barriers against some products of the other party to the bargain, and gave protection against discrimination by guaranteeing most-favored-nation treatment to us both. Each agreement increased the freedom of businessmen in both countries to buy and sell across national frontiers. The agreements have contributed to prosperity and good feeling here and in the other contracting countries.

The record of how trade agreements expand two-way trade is set forth in the 1943 report of the Committee on Ways and Means. This record shows that between 1934-35 and 1938-39 our exports to trade-agreement countries increased by 63 percent, while our shipments to non-agreement countries increased by only 32 percent; between these same periods, our imports from agreement countries increased by 22 percent as compared with only 12 percent from non-agreement countries. The disruptions and dislocations resulting from the war make later comparisons impossible. The record published in 1943 is, nevertheless, as valid today as it was then. We know, without any doubt, that trade agreements build trade and that they will do so after the war as they did before. All sections of our population—labor,

farmers, businessmen—have shared and will share in the benefits which increased trade brings.

Unfortunately, powerful forces operated against our efforts in the years after 1934. The most powerful were the steps of our present enemies to prepare themselves for the war they intended to let loose upon the world. They did this by subjecting every part of their business life, and especially their foreign trade, to the principle of guns instead of butter. In the face of the economic warfare which they waged, and the fear and counter-measures which their conduct caused in other countries, the success of Secretary Hull and his interdepartmental associates in scaling down trade barriers is all the more remarkable.

The coming total defeat of our enemies, and of the philosophy of conflict and aggression which they have represented, gives us a new chance and a better chance than we have ever had to bring about conditions under which the nations of the world substitute cooperation and sound business principles for warfare in economic relations.

It is essential that we move forward aggressively and make the most of this opportunity. Business people in all countries want to know the rules under which the post-war world will operate. Industry today is working almost wholly on war orders, but, once the victory is won, immediate decisions will have to be made as to what lines of peacetime production look most profitable for either old or new plants. In this process of reconversion, decisions will necessarily be influenced by what businessmen foresee as government policy. If it is clear that barriers to foreign trade are coming down all around the world, businessmen can and will direct production to the things that look most promising under those conditions. In that case a real and large and permanent expansion of international trade becomes possible and likely.

But if the signs are otherwise, if it appears that no further loosening of barriers can be expected, everyone will act very differently. In that event we shall see built up in all countries new vested interests in a system of restrictions, and we shall have lost our opportunity for the greater prosperity that expanding trade brings.

I have urged renewal of the Trade Agreements Act. In order to be fully effective the act needs to be strengthened at one important point. You will remember that as passed in 1934 it authorized reductions in our tariff up to 50 percent of the rates then in effect. A good many of those reductions

have been made, and those rates cannot be reduced further. Other reductions, smaller in amount, leave some remaining flexibility. In other cases, no reductions have been made at all, so that the full original authority remains.

You will realize that in negotiating agreements with any foreign country what we can accomplish depends on what both parties can contribute. In each of the agreements we have made, we have contributed reductions on products of special interest to the other party to the agreement, and we have obtained commensurate contributions in the form of concessions on products of special interest to us.

As to those countries, much of our original authority under the act has been used up. We are left in this situation: Great Britain and Canada, our largest peacetime customers, still maintain certain high barriers against our exports, just as we still have high barriers against theirs. Under the act as it now stands we do not have enough to offer these countries to serve as a basis for the further concessions we want from them. The same situation confronts us, although in a lesser degree, in the case of the other countries with whom we have already made agreements; these include France, the Netherlands, Belgium, Turkey, Sweden, Switzerland, and most of the American republics.

I therefore recommend that the 50 percent limit be brought up to date by an amendment that relates it to the rates of 1945 instead of 1934. Then we shall have the powers necessary to deal with all our friends on the basis of the existing situation.

The bill which the Chairman of the Ways and Means Committee has introduced in the House of Representatives, H.R. 2652, would accomplish the objectives I have in mind, and has my support.

This legislation is essential to the substantial increase in our foreign trade which is necessary for full employment and improved standards of living. It means more exports and it also means more imports. For we cannot hope to maintain exports at the levels necessary to furnish the additional markets we need for agriculture and industry—income for the farmer and jobs for labor—unless we are willing to take payments in imports. We must recognize, too, that we are now a creditor country and are destined to be so for some time to come. Unless we make it possible for Americans to buy goods and services widely and readily in the markets of the world, it will be impossible for other countries to pay what is owed us. It is also important to remember that imports mean

much more than goods for ultimate consumers. They mean jobs and income at every stage of the processing and distribution channels through which the imports flow to the consumer. By reducing our own tariff in conjunction with the reduction by other countries of their trade barriers, we create jobs, get more for our money, and improve the standard of living of every American consumer.

This is no longer a question on which Republicans and Democrats should divide. The logic of events and our clear and pressing national interest must override our old party controversies. They must also override our sectional and special interests. We must all come to see that what is good for the United States is good for each of us, in economic affairs just as much as in any others.

We all know that the reduction of government-created barriers to trade will not solve all our trade problems. The field of trade has many fronts, and we must try to get forward on each of them as rapidly and as wisely as we can. I shall continue therefore to explore the possibility also of reaching a common understanding with the friendly nations of the world on some of the other international trade problems that confront us. The appropriate committees of the Congress will be fully consulted as that work progresses. The purpose of the whole effort is to eliminate economic warfare, to make practical international cooperation effective on as many fronts as possible, and so to lay the economic basis for the secure and peaceful world we all desire.

When this trade-agreements legislation and the other legislation I have recommended to this Congress is adopted, and when the general Organization of the United Nations and their various special agencies, including one on trade, have been created and are functioning, we shall have made a good beginning at creating a workable kit of tools for the new world of international cooperation to which we all look forward. We shall be equipped to deal with the great overriding question of security, and with the crucial questions of money and exchange, international investment, trade, civil aviation, labor, and agriculture.

As I said in my message of February 12 on the Bretton Woods proposals:

"The point in history at which we stand is full

of promise and of danger. The world will either move toward unity and widely shared prosperity or it will move apart into necessarily competing economic blocs. We have a chance, we citizens of the United States, to use our influence in favor of a more united and cooperating world. Whether we do so will determine, as far as it is in our power, the kind of lives our grandchildren can live."

THE WHITE HOUSE

March 26, 1945

Meeting of the Committee of Jurists

[Released to the press March 27]

The Department of State, acting on behalf of this and other governments sponsoring the United Nations Conference at San Francisco, namely, Great Britain, the Soviet Union, and China, has issued invitations to the governments to be represented at San Francisco that they send representatives to a preliminary meeting of jurists to be convened in Washington on April 9 to prepare a draft of a statute for the International Court of Justice, which is to become a part of the international Organization.

It will be recalled that the Dumbarton Oaks Proposals state that there should be an International Court of Justice which should constitute the principal judicial organ of the Organization; that the Court should be constituted and should function in accordance with a statute which should be a part of the Charter of the Organization. The Proposals also provide that the Statute of the Court should be either (a) the Statute of the Permanent Court of International Justice, with such modifications as may be desirable, or (b) a new statute in the preparation of which the Statute of the Permanent Court of International Justice should be used as a basis.

The committee of jurists that is to meet on April 9 will concern itself with the preparation of a draft to be considered at San Francisco. If it does not conclude its work before the convening of the San Francisco conference, it will continue its deliberations at the seat of the conference.

Renewal of Trade Agreements

Address by CHARLES P. TAFT¹

[Released to the press March 30]

Within the last two weeks the bill for the renewal of the Hull Reciprocal Trade Agreements Act has been introduced into the House of Representatives by Representative Doughton. It must be acted on before June 12th, or the existing authority lapses.

It provides for an increase in the original authority granted in 1934, and renewed in 1937, 1940, and 1943 without change. Tariff rates by this new bill could be reduced by 50 percent of what they were on January 1, 1945.

Although the reciprocal trade-agreements program has the overwhelming support of every section of American opinion, the opposition is vigorous and determined, and it is most essential for the supporters of sound commercial policy and international peace to rally for what promises to be a real fight.

It is true that the efforts of the United Nations group are concentrated on the active support of the Dumbarton Oaks Proposals at San Francisco, and of the Bretton Woods agreements in Congress. But the trade-agreements renewal is an essential, perhaps the most essential, part of the economic program, without which the new world Organization would start its life vitally handicapped. Those actively interested in San Francisco results should therefore pick up the trade-agreements fight.

The 50 percent additional authority is essential to lay any basis for progress out of the devastating economic conditions that will exist when the German war is liquidated. The wise use of this authority in such a way as not to disrupt American employment and industry is pledged by the past record of the trade-agreements organization in its 11 years of operation under the act.

I am not sorry that there is the necessity for discussing the basis of international trade each three years when this act comes up for reconsideration. It has educated the American public to sound

principles of international economic relationship, and the lesson cannot be too often repeated.

Since the first World War, we have become a creditor nation and have learned that if we are to be paid it will have to be mainly in goods or not at all. If we shut out the goods by high tariffs we can be paid in gold, but only until the gold runs out, and we seem to have not much use for it anyway.

But there is more to learn about this business of trade. It is not just an exchange of goods: It covers services to our tourists abroad, remittances by immigrants here to their families in the old country, shipping and air services by foreign lines, banking activities, patent payments, interest and dividends. All of those make up "invisible" items that help to balance imports and exports for us or for other countries.

The worst job the devastated countries face, and England too, for that matter, is to restore their balance of payments. After the last war, in the two years 1919 and 1920, Europe imported 17.4 billion dollars of commodities and exported only 5 billion dollars. With the magnitude of disruption this time the pressure will be even greater, and the deficit, too, in all probability. The only salvation for all of us is to help England and the liberated areas to move all the exports they can and to build toward some equality between what they must import to live and what they must export to pay for the imports.

During that period of adjustment, export and import controls, quotas, and exchange controls are unavoidable. But unless we want excessive nationalism and the artificial self-sufficiency that continues economic warfare, we must work toward agreements for progressive relaxation of controls by others, and reasonable reduction of trade barriers by the United States.

It is true of course that trade can mean hostility and warfare. But if the spirit is right it helps our efforts for peace. As Herbert Feis puts it:

"Trade can be the support of, but not the substitute for a calm spirit within nations and just dealings between them, or for the maintenance of free

¹ Delivered before the Minnesota United Nations Committee and Civic Commerce Association at Minneapolis, Minn., on Mar. 30, 1945. Mr. Taft is Special Assistant to the Assistant Secretary for Economic Affairs.

institutions, or for the strength which sometimes alone can command respect."

All the discussions on the reciprocal trade agreements and the Hull policies have failed adequately to concentrate on the importance of imports for our own benefit and advancement. People still talk about exports all by themselves, as increasing our employment, for instance, and giving us that extra 3 million jobs toward the ideal job goal, without even wondering how the purchasers pay us for them.

The truth is that we ought to begin with imports for their own value. They give us things which frequently we can't produce at all, or would produce at much greater cost. That gives us more value for our wages and salaries, just like mass production of automobiles. To quote Herbert Feis again,

"The import trade of each nation enables it to share in the richness of the earth everywhere, and to benefit from the research, the diligence, the skill and the capital possessed by the men and women of other countries."

Exports pay for the imports we need, of course, and there are many, many essential raw materials we don't and never can produce here. When they aren't expanded too far they give sound employment, and they pay our debts, too, or constitute investments of our capital.

I said "investments" rather than "loans," because we have thought too much about repayment in these past years. If you buy stock in American Tel. and Tel. and it keeps on going, and you get your dividends, you don't talk about taking your capital out; you leave it in. If an investment is sound, why not leave it? If it is a loan and is paid off, why not leave the proceeds there in something else, also paying the interest or dividends? Then only the latter have to be paid in goods exported to us.

But can we look forward to expanding and non-discriminatory trade about which we in the State Department are always shouting? Or is it to be a pipe dream in a world of state traders and economic isolationists? The answer is perfectly clear: All the trading nations will be more than glad to go along on an expanding world economy with us, but they have to be shown what we are going to do about tariffs and such methods of economic warfare as export subsidies. If this

trade-agreements renewal fails with its additional authority, then we might as well kiss good-by to any hope for economic cooperation from the other great nations of commerce.

Then why take a chance and seek more authority? You may well ask me. The answer is simple. The operations under the Trade Agreements Act are a bargaining process. While there is considerable authority left under the old act, it covers commodities that concern chiefly the enemy nations and certain other countries with whom we have not in the past been able to make agreements under the act. Our big customers and especially Great Britain and Canada gave us concessions of great importance, and we gave them nearly all our possible concessions. They are the very ones with whom we must do the quickest and most important bargaining for the post-war period, and our powers to enter into arrangements with them must be increased.

Fast action is needed with all nations with which we deal, especially the liberated areas. For that reason we are planning to deal with related groups of countries at the same time. Bilateral agreements will result, and the bargaining will take place with the principal suppliers as before, and on a most-favored-nation basis, but the coordination of negotiations, as has occurred in at least one instance in the past, makes it possible for each country to gage its action in the light of action expected in a related negotiation. Thus it may be possible to operate in a much briefer period and so prevent at the very inception the trade practices we oppose.

There has been discussion of a multilateral agreement with a large number of countries. This would have to be on a formula for flat reductions across the board. The basic element in past negotiations, the careful study of the value and effects of each individual reduction of each individual rate in each country, would disappear because it would be impossible. That kind of bargaining can obviously not be conducted between many countries at a time.

On the other hand much more can be done now under the increased authority and the old method, because many industries converted to war production are not subject to disruption but can go back to lines that do not need tariff protection of the character they have previously enjoyed.

(Continued on page 538)

Interim Commission on Food and Agriculture

MESSAGE OF THE PRESIDENT TO THE CONGRESS TRANSMITTING FIRST REPORT

[Released to the press by the White House March 26]

TO THE CONGRESS OF THE UNITED STATES: I am sending herewith for the information and consideration of the Congress the first report to the Governments of the United Nations by the Interim Commission on Food and Agriculture. Appended to this report is the constitution of the Food and Agriculture Organization of the United Nations, which the United Nations Conference on Food and Agriculture at Hot Springs, Virginia, requested the Interim Commission to formulate and recommend.

The Interim Commission has done its work well. It has prepared a plan for a permanent international organization through which governments can pool and extend their knowledge and collaborate with each other in raising the standards of nutrition of their peoples and in establishing and maintaining an expanding prosperity for agriculture in all countries.

I recommend that the Congress authorize the acceptance of the constitution and the participation of the United States in the work of the Food and Agriculture Organization.¹

The United Nations have already made much progress in setting up an organization for international security. But our collaboration for peace must be on a broader basis than security alone. We must strive to correct the conditions that predispose people toward war or make them the ready tools and victims of aggressors. We shall need also to work together as nations toward achieving freedom from want. Our participation in the Food and Agriculture Organization will be an essential step in this collaboration.

The Organization will seek its ends through the provision of international services in agriculture and nutrition which have heretofore been either lacking or inadequate. Among other things, it will provide the means for bringing together from all parts of the world the results of research in

all the fields of agriculture and nutrition and for disseminating ideas and advice on how the available information can be of greatest usefulness.

Improved standards of nutrition, increased levels of farm incomes, avoidance of agricultural surpluses—these are among the important objectives that the Food and Agriculture Organization will assist the nations of the world in achieving. The Organization will seek to better conditions in food and agriculture by fostering international cooperation in developing the optimum use of the resources of land, labor, and science. One of its important jobs will be to help in improving the marketing of agricultural products throughout the world so that farmers can find good markets here and abroad and continue to produce as fully as is consistent with sound conservation practices.

The constitution of the Organization provides that it shall include fisheries and forests within the scope of its work, and that in agriculture it shall cover both food and non-food products. The work of the Food and Agriculture Organization will be primarily technical and advisory. Its staff will be small; its budget will be small, \$2,500,000 for the first year—with \$625,000 as the share to be borne by the United States—and about twice that amount in succeeding years. It is in no sense a relief organization.

In becoming a member of the Food and Agriculture Organization, we will retain complete freedom of action in determining our national agriculture policies. Under its constitution, the Organization will have no powers of direction or control over any nation. It will recommend agricultural policies and advise nations on their food and agricultural problems, but it will have no power to coerce or command. The constitution provides that all member nations shall have equal representation in the conference of the Organization, each being entitled to one vote. Our responsibilities in joining the Organization are of the same

¹ BULLETIN of Feb. 18, 1945, p. 225.

nature as those Congress has heretofore authorized in approving our participation in the Pan American Union.

I therefore recommend that the Congress approve our active participation in the Food and Agriculture Organization of the United Nations, in accordance with its proposed constitution as set forth in appendix I of the attached report, and authorize annual appropriations of our share of the budget of the Organization.

FRANKLIN D. ROOSEVELT

THE WHITE HOUSE

March 26, 1945

Discovery of Nazi Post-War Plans

[Released to the press March 30]

The Department of State announced on March 30 that reliable information collected by Allied governments clearly indicates that the Nazi regime in Germany has developed well-arranged post-war plans for the perpetuation of Nazi doctrines and domination. Some of these plans have already been put into operation and others are ready to be launched on a wide-spread scale immediately upon termination of hostilities in Europe.

Nazi Party members, German industrialists, and the German military, realizing that victory can no longer be attained, are now developing post-war commercial projects, are endeavoring to renew and cement friendships in foreign commercial circles, and are planning for renewals of pre-war cartel agreements. An appeal to the courts of various countries will be made early in the post-war period through dummies for "unlawful" seizure of industrial plants and other properties taken over by Allied governments at the outbreak of war. In cases where this method fails German repurchase will be attempted through "cloaks" who meet the necessary citizenship requirements. The object in every instance will be to reestablish German control at the earliest possible date. German attempts to continue to share in the control and development of technological change in the immediate post-war period are reflected in the phenomenal increase in German patent registrations in foreign countries during the past two years. These registrations reached an all-time high in

1944. The prohibition against exporting capital from Germany was withdrawn several months ago, and a substantial outflow of capital to foreign countries has followed.

German technicians, cultural experts, and under-cover agents have well-laid plans to infiltrate foreign countries with the object of developing economic, cultural, and political ties. German technicians and scientific-research experts will be made available at low cost to industrial firms and technical schools in foreign countries. German capital and plans for the construction of ultra-modern technical schools and research laboratories will be offered at extremely favorable terms, since they will afford the Germans an excellent opportunity to design and perfect new weapons. This Government is now in possession of photostatic copies of several volumes of German plans on this subject. The German propaganda program is to be an integral part of the over-all post-war program. The immediate aim of the propaganda program will be directed at removing Allied control measures by "softening up" the Allies through a subtle plea for "fair treatment" of Germans, and later the program will be expanded and intensified with the object of giving rebirth to all Nazi doctrines and furthering German ambitions for world domination. Unless these plans are checked they will present a constant menace to post-war peace and security.

The recent Inter-American Conference on Problems of War and Peace at Mexico City fully recognized this danger and as a result adopted numerous resolutions aimed at uncovering and eliminating all Nazi influences in this hemisphere and all activities directed at a resurgence of German power after the war. Such resolutions included the control and elimination of subversive activities, the exclusion and extradition of war criminals, the exchange of information relating to persons who should not be allowed to carry on financial and commercial activities, and the reaffirmation of similar objectives of other inter-American conferences.

The statement of gold policy issued simultaneously on February 22, 1944 by the United Kingdom, the Union of Soviet Socialist Republics, and the United States, and the Declaration on January 5, 1943 on acts of dispossession issued by the same three countries in conjunction with several other countries, together with resolution VI of

Bretton Woods, which has been endorsed by many nations, give ample proof that the peace-loving nations of the world are united and will take such action as is necessary to smash the economic and political foundation of future German aggression.

Declaration of War by Argentina Against Germany and Japan

[Released to the press March 27]

The Department of State has not yet received the official text of the action taken by the Argentine Cabinet. However, the report of its action in declaring a state of war against Germany and Japan is welcomed here as indicating the intention of Argentina to participate actively in the war against the Axis and to make its national policy conform to the procedure outlined in a resolution of the Inter-American Conference on Problems of War and Peace.¹ This resolution outlines the steps prerequisite to the restoration of complete solidarity among the American republics.

The resolution, approved unanimously by delegates from 20 American republics at Mexico City on March 7, was designed to intensify the war effort of the American nations against Germany and Japan and to consolidate and extend the solidarity of this hemisphere against all types of aggression.

The resolution, recognizing that the unity of the peoples of the Americas is indivisible, proposed that the Argentine nation should conform and adhere to the principles and declarations in the Final Act of the Conference of Mexico.

The resolution provided that the Final Act of the Conference shall be open to adherence by the Argentine nation, always in accordance with the criteria outlined in the resolution.

The criteria for such adherence included the basic conditions: that Argentina should participate whole-heartedly with other American states in the Act of Chapultepec for common action to resist aggression against any American state; and that the Argentine nation would effectively implement a policy of cooperative action with other

American states in war against the Axis to enable her incorporation into the United Nations as a signatory to their joint declaration.

In the light of the Argentine nation's action, it is expected that there will be an early exchange of views in the spirit of the Final Act of the Mexico City conference concerning the early restoration of American solidarity.

Death of David Lloyd George

[Released to the press March 26]

The Acting Secretary of State, Joseph C. Grew, on March 26 sent the following telegram to the Right Honorable Anthony Eden, British Secretary of State for Foreign Affairs:

"I have just learned with the deepest regret of the death of David Lloyd George, who once led his country to victory and peace. The courage and dauntless resolution of this valiant British statesman in the cause of freedom established him as one of the great men of our time. His spirit is an inspiration to all of us at this moment of approaching victory.

"JOSEPH C. GREW

"Acting Secretary of State"

RENEWAL OF TRADE AGREEMENTS—Continued from page 535.

I am not one who believes that peace is dependent upon economics or that wars result from economic rivalry. Even some of the greatest socialists agree that, while men are profoundly affected by the way they earn their living, at the times of crisis it is ideals of justice and liberty and religion that determine their course.

But our economic foundations are tremendously important, and in these coming months it is our economic relation to England, France, and Russia that can facilitate or almost destroy our chances for building the foundations of peace. In all this complex of problems the renewal of the Trade Agreements Act must be considered to rank with the Bretton Woods agreements and the Dumbarton Oaks Proposals,

¹ BULLETIN of Mar. 18, 1945, p. 450.

The Allied Commission for Italy

Transcript of Remarks by the Acting President of the Allied Commission for Italy¹

IT is nearly eighteen months since I stood with my friend and colleague Mr. Robert Murphy and watched the signing of the armistice agreement which brought to a conclusion hostilities between the Allied forces and those of Italy. At that moment our minds turned naturally to the months that had passed since the North African invasion was first launched under General Eisenhower's command. This was the first, the prototype, of joint operations by land and sea. They had been months of common difficulties jointly surmounted, difficulties both in the military and in the political sphere. Then, after the conquest and defeat of the German and Italian Armies in Tunisia, came the successful landings in Sicily. Now came the collapse and surrender of Fascist Italy, at that time the puppet of Nazi Germany.

A few days after, Murphy and I landed by plane between Taranto and Brindisi; and here, in the shape of Marshal Badoglio and his few ministers, the conception of a legitimate Italian Government was kept alive, although its authority was reduced to a tiny enclave of territory.

Under the conventions of international law the landings at Salerno and the occupation of southern Italy were followed by proclamations setting up Allied Military Government. But even in those early days the concept of an independent Italian Government was kept in being; and from that moment all our minds were directed to the purpose of rebuilding, through such a Government, Italy as a free and democratic nation.

Considering the enormous injuries inflicted upon the Allies, and more especially upon the British, by the closing of the Mediterranean, the threat, the imminent danger, the almost mortal blow to Egypt and the Suez Canal, and the vast corresponding burdens placed upon us, never in the history of war have victorious armies so rapidly and with such sincerity turned from battle to the task of reconstruction.

That was because we knew that the Italians, under a cruel dictatorship and held in fee by Germany, were being forced against their true interests and their long-standing traditions. As in the days of the Risorgimento, freedom-loving Italians had looked to the Anglo-Saxon people for

sympathy and practical aid, so now, when they were escaping from something worse even than King Bomba, it was to the same old friends that they turned for sympathy in their new trials. Those trials continue. The armistice brought, alas, for Italy no peace. The cruel hand of war is passing from south to north through Italian territory, and we still do not know the final total in this somber addition of destruction. Nevertheless, from the earliest moment an Italian Government has been nurtured by the Allied authorities. From Brindisi it was moved early in 1944 to Salerno and there began, although subjected to great physical difficulties of communication and location, to grow in strength and stature. As soon as possible after the capture of Rome, arrangements were made for the members of the Government at Salerno to enter into close discussion with the heads of the parties in Rome. Thus Signor Bonomi's first administration rapidly emerged.

It has seemed a long and dreary winter with a comparatively stable military line. But these months have not been wasted. There has been a steady and continuous development of the authority of the Italian Government; more and more territory has been handed over from Military Government to their control; and within that territory wherever possible the Italian authorities are taking over functions that properly belong to them.

SECTION II

For instance, since we met last, the food distribution in southern Italy has become an Italian and not an Allied responsibility. In the field of transport an organization called ENAC under Italian control is making good progress in the difficult task of organization and allocation; in the ports of Taranto, Brindisi, and Castellammare the Italians have taken over complete control.

There is a further item that I should mention of interest to you gentlemen: That is, as you know,

¹ The Rt. Hon. Harold Macmillan, British Resident Minister in Italy. Mr. Macmillan made these remarks at a press reception in Rome on Feb. 24, 1945.

instead of news being distributed by a branch of the Allied military authorities, the normal system of distribution through the press agencies has recently been restored.

Meanwhile, the Italian Army, as is well known, has reentered the combat line. Ever since the armistice the most valuable help has been given by all the Italian forces to the common war effort. Nor should those who think only of military functions in terms of combat troops forget what a large proportion of all modern armies is concerned with the services behind the lines. Towards these essential services the Italians have made great contributions. But of course they are right in seeking the honor of participation in the battle; and it is a great satisfaction to feel that this ambition is being realized. Nevertheless, there are, from a practical point of view, many limiting factors in the making of a new army. There is little Italian equipment in liberated Italy¹ suitable for modern combat troops; nor can any be manufactured there. Italian combat troops have to be furnished with Allied equipment. After this equipment has been shipped to Italy it takes some months before the combat troops can be trained in its use and ready for battle. And shipping is a great difficulty. Shipping today is devoured not so much by the enemy submarine but by the voracious demands of our immense war effort all over the globe: The Pacific war, the Burmese war, the war on the Eastern Front, and the Mediterranean war. We have many obligations. We have an obligation to our French friends which is being met with equipment for new French divisions. So with the Battle of Europe still coming to a head and the Battle for Japan expanding and developing, the rate of re-equipment for the Italian combat Army must be decided in accordance with world needs. Nor must we forget the huge demands for relief and rehabilitation supplies throughout all liberated Europe, including Italy. It is this very shipping problem which has delayed until now the implementation of a policy jointly accepted by the two Allied Governments, that is, the giving of a uniform bread ration of the equivalent of 300 grams throughout all liberated Italy. I have seen one or two malicious reports which have somehow implied that there was a division of opinion on this matter be-

tween the Allies, or an unwillingness by the theater command to implement the decisions of the two Governments. These suspicions are fortunately confined to a few professional mischief-makers. The quality of insinuation is twice cursed: It curseth him who makes it and him who listens to it. It is now a matter of great satisfaction to us all that some improvement in the over-all shipping situation and some legitimate risks which can now be taken in the light of the improved strategic position of the European war have made it possible to increase the ration as from March first.

When I speak of the Italian Army I must mention two most helpful things. First, the excellent recruiting figures under the new call-up. This shows a real wave of enthusiasm. Secondly, the patriot forces are joining the Army under special arrangements with great gusto, and special new arrangements are being made for the future. I sometimes hear rather dismal talk about what will be the conditions in the North when it is liberated. The physical conditions will depend, alas, upon the degree of destruction which German malignance and misdirected ingenuity can devise. But I believe that the spiritual energy of the northern peoples will be a great benefit rather than a possible danger to Italy. At any rate, our contacts and those of the Italian Government with the patriot movements allow us a confident hope that this will be the case.

This steady development of the Italian Government to its own authority is taking some further steps. The Chief Commissioner and I have today called upon the Prime Minister, Bonomi, and the Foreign Secretary, De Gasperi, to inform them of certain changes which are being made immediately. They are intended to carry out to the full the changed relationship between the Allied Commission and the Italian Government, which will in future be one of consultation and advice. Although the requirements of the Italian campaign and overriding military needs must be protected, the rights of the Allied governments will be held in reserve in the matter of day-to-day administration.

SECTION III

What are the conditions of a sovereign state? I would say that they consist, first, in control of the external relations of that state; and secondly, in the control of the legislative functions and internal administration. Judged by this criterion, under the decisions which we have today commu-

¹ Liberated Italy, excluding territory under AMG administration, includes the islands of Sardinia and Sicily and all of the peninsula south of the northern boundaries of Viterbo, Rieti, and Teramo provinces.

nicated, the position of the Italian Government will be from a practical point of view incomparably reinforced. We have informed the Italian Government that it should conduct its relations with other governments no longer indirectly through the Allied Commission but directly. They have absolutely free right to appoint and receive ambassadors to and from all Allied and neutral countries. They will deal directly with their ambassadors in foreign countries and with their own secret channels of communication by diplomatic pouch. It is true that we have asked to be informed of any important negotiations in which the Italian Government may be engaged with foreign governments. That is a natural request, given the present situation, and one more likely to be beneficial to those negotiations than harmful. Externally, therefore, the Italian Government will resume once more those normal relations which every sovereign government has with the governments of all countries with which it is at peace. Internally, since there is no legislature, decrees and laws are passed by the Government. Up to now they have been submitted for the approval of the Commission. This requirement is abolished. Therefore the Italian Government regains full control over its legislative authority. As regards administration it has up to now been the practice that all appointments of the Italian Government must be approved by the Commission. This requirement also is abolished; and all appointments, from members of the Government down to the minor functionaries, will be the sole responsibility of the Italian Government itself. You may remember that in the first directive issued to General Eisenhower the task of insuring the removal of undesirable or Fascist functionaries from their posts was placed upon the commanding general. But all that is out of date. We have full confidence in the democratic purposes of the Italian Government; it is far better that they should freely choose their officials, and we have confidence that they will do so with efficiency and probity. At any rate they can in future do so without even formal approval from the Allied Commission. There is of course one exception; that is, the appointment of certain officers of military importance must be made with the approval of the Supreme Allied Commander. But that merely follows the normal practice where one nation has placed its armies under the command of another, and there is nothing, I am certain, in this

which could be either derogatory to the Italians or misunderstood by them. The officers of an army fighting under the Supreme Allied Commander are naturally a subject on which he must be consulted.

There is another aspect of the changes which we have today announced to Signor Bonomi which I think may interest you. We have had, in order to make effective the transfer from Allied Military Government to Italian control and to get through the interval before a new stage could be reached, a considerable number of regional officers of the Allied Commission permanently stationed in areas under Italian jurisdiction. All these will be withdrawn. Certain liaison officers will be left to assist the military authorities in their dealings in the various areas, and a number of technical experts, where their services are asked for by the Italian Government, will remain available; but the general structure of local and regional representation is no longer necessary. It has perhaps been felt as an instrument of control, and the withdrawal of these officers marks a new stage and of course throws corresponding responsibilities upon the Italian administration.

There are a number of other points with which our communication deals. I am hoping that the question of Italian prisoners of war held in Italy can be rapidly liquidated. Arrangements are being made to reestablish in every possible way the cultural relationships between the Italian people and the Allies. One of the great disadvantages of war is the break in the flow of knowledge and literature between one country and another. In an effort which I commend equally as a statesman and as a publisher, we will make arrangements for the flow between Italy and the United Nations of books and other publications of a scientific, political, philosophical, and artistic nature. Later on we hope to make similar arrangements for the movement between Italy and the United Nations of professional men, scholars, and artists.

I regard, therefore, these changes which I have been authorized by the two Governments to make in the political field as marking not indeed the final but perhaps the penultimate stage in an evolutionary process begun eighteen months ago. It is certainly a long way from the Sicilian olive grove where we signed the armistice terms on that golden September afternoon. It is a long way from the medieval castle in Brindisi which housed an independent Italian Government, cabined and confined perhaps, but alive. It is a long way from

the cold and grim surroundings of a Government trying to set itself up in battered Salerno. It is a great advance even from the day when an Italian Government reentered Rome. It marks a policy of steady development, and it has nearly reached its final point.

So much for the political aspects, external and internal.

We are working steadily at plans for considerable economic progress with a view to the rehabilitation of Italian agriculture and industry. There will also be immense financial problems which require to be solved both for the immediate period and still more for that after hostilities cease. I hope to be able to make or authorize to be made special communications on the decisions reached on all these questions. A considerable amount of work is going forward; plans are being made; orders are being placed; and as the shipping position improves and the war draws to its close, we hope to be in a position to help Italy to deal with the immense economic problems that confront her.

SECTION IV

In order to look forward with confidence, we must from time to time look back with understanding. Five years ago, in the spring of 1940, the vast power of the Nazi war-machine was about to be launched on Europe. The phase of "phony" war—strange and ironic expression—was drawing to its close. That machine had been built up by fraud and in secrecy; although many had understood aright the wicked purposes of its builders, few had properly assessed its strength. Within a few weeks it was destined, like a mighty flood, to overwhelm almost the whole of Europe. Fortified by the temporary security of her eastern frontier—an advantage destined to be wantonly thrown away within another year—Germany was able to subdue successively Norway, Denmark, Holland, Belgium, France, Poland, Czechoslovakia, Yugoslavia, and Greece—all destined to fall beneath the terrific weight of the first impact. Neutrals were blackmailed, satellite powers brought into uneasy alliance. After the virtual conquest of Europe, using as her cat's-paw Fascist Italy under Mussolini's crazy leadership, Africa was menaced by the same immense and almost irresistible attack. In the following years the great expansion movement reached its peak, with the advance to a few miles from Cairo and the conquest of huge tracts of Russian territory. Great Britain in those

days could but struggle to stem the advancing tide. But at a certain point in time (about the exact definition of which historians will long debate) the movement of expansion was halted. For long months and even years, the Allied forces could withstand its further progress but not to any great degree force a retreat. An uneasy equipoise followed, in the course of which almost irreparable wounds have been inflicted upon the suffering body corporate of Europe.

And now in the West, starting from the autumn of 1942 with Alexander's and Eisenhower's African campaigns, from the triumphs of 1943, the Battle of Tunis, the capture of Sicily, the end of Fascist Italy, and the liberation of half Italy in 1944, the epic story culminates in the vast enterprise of the landings in and liberation of France, Belgium, and part of Holland, and the advance into German territory. On the East, the splendid Soviet Armies have driven the invader from the sacred soil of Russia and are advancing further each day into the very heart of Germany. Day by day the Germans are being pushed back into their steadily retracting zone. Day by day the noose is being drawn tighter. Day by day their final and utter collapse is growing surer and more inescapable. And the vast, swollen river of aggression which, starting from its impure sources, five years ago threatened to overwhelm Europe has already shrunk to quite a manageable stream and will soon be dry forever.

But when floods recede, filth and devastation remain behind. Through eighteen active months in concert with our Italian friends, the Commission has been charged with the cleansing and purifying task. When all the difficulties are understood, I believe America and Great Britain have nothing to be ashamed of, either in the spirit which has inspired its representatives in Italy or the efficiency with which they have done their work.

The story has been one of quiet and steady progress towards a clearly defined goal. The developments which I have ventured to bring to your attention as having taken place since our last meeting, together with the specific and important changes which are now to become operative, are part of that policy. Great as are the difficulties which Europe has to face, let us not be downcast. Let us rather think, with a due mixture of pride and gratitude, of those from which she has already been rescued by the courage and sacrifice of our two peoples and our Allies.

UNRRA Agreement for Relief Program in Italy¹

PRIME MINISTER Ivanoe Bonomi and UNRRA Italian Mission Chief Spurgeon M. Keeny announced on March 9 that the Italian Government and the United Nations Relief and Rehabilitation Administration signed at Rome on March 8, 1945 an agreement for a relief program in Italy.

They hailed the agreement as a substantial step in the direction of providing a much-needed relief program for liberated Italy.² Prime Minister Bonomi said in a statement:

"On behalf of the Government and of the Italian people I wish to express my warmest gratitude for the assistance which UNRRA is bringing to our country. This assistance is a noble act of human solidarity by UNRRA as representative of 44 United Nations comprising most of the peoples of the earth. I have willingly accepted the basic principle of your work of assistance. This principle is summed up in the formula of *helping people to help themselves*. You make available, free of charge, \$50,000,000 for the relief of Italy, the equivalent, at the official rate of change, of 5,000,000,000 lire. You ask that Italy, on her part, establish in her various budgets an additional 5 billion lire to make this assistance effective. Naturally it is our responsibility to bear the expenses of

local transportation and administration and we have agreed to bear them in reasonable measure. This substantial amount of relief will be furnished to particular areas and, specifically, to refugees, to mothers and children. Additional amounts will be provided by UNRRA for the fight against epidemics. It will thus be possible to leave other fields of assistance entirely free to other generous international endeavors which will be vying with this work of human solidarity. As we sign with a grateful soul this convention which is a new link

Summary of the Principal Points of the Agreement Between the Italian Government and UNRRA

1. UNRRA is to furnish supplies and services, costing up to \$50,000,000 in foreign exchange, for three general programs in Italy:

- (a) Care of, and welfare services for, children and nursing and expectant mothers;
- (b) Assistance in the care and return to their homes of Italian refugees; and
- (c) The provision of medical and sanitary aid and supplies.

2. UNRRA is also to furnish supplies and services for two other programs:

- (a) Care of non-Italian refugees in Italy, and
- (b) Control of epidemics in Italy.

3. The cost of these supplies and services incurred in foreign exchange is, under present arrangements, to be borne entirely by UNRRA, without charge of any kind to Italy.

4. Except in connection with operations for the benefit of non-Italians, the Government will have, however, the responsibility for distributing all supplies. Distribution will be carried out by the Government in accordance with UNRRA principles and in accordance with plans agreed upon with UNRRA.

5. As a contribution to the relief programs of UNRRA, the Government undertakes to bear the costs of the programs incurred in Italian currency in Italy up to an amount in lire matching UNRRA's foreign-exchange expenditures. These costs include expenses of storage, transportation, and distribution of supplies and expenditures for the purchase of local fuel and produce to supplement food furnished by UNRRA. (A similar requirement is made by UNRRA of every country receiving its relief supplies.)

6. Some of the supplies furnished by UNRRA may be sold by the Government to recover part of its expenses but only to the extent that this does not deny relief to the needy.

7. A joint committee of Government and UNRRA representatives will recommend terms of supplementary agreements covering such matters as methods of distribution, selection of recipients, amounts of supplies to be sold, and sale prices.

8. Part of the funds made available by the Government will be used to pay the expenses in Italian currency directly incurred by UNRRA in Italy; for its own administrative overhead (estimated at 2 percent), and for the care of non-Italian refugees (estimated at 13 percent).

9. The remainder of the funds will be available for payment of the Government's expenses under the program.

10. UNRRA's mission and personnel in Italy are to be given diplomatic facilities and immunities corresponding to their position.

11. The agreement is terminable upon six months' notice from either party.

¹ Released to the press by UNRRA Italian Mission at Rome on Mar. 9, 1945.

² BULLETIN of Jan. 7, 1945, p. 29.

binding us to the 44 United Nations, I believe I may forecast that concord in benefaction, as soon as the war is over, will lead to a peaceful common life for all the peoples of the world."

Spurgeon M. Keeny, Chief of UNRRA's Italian Mission, stressed the importance of Italy's full-fledged cooperation with UNRRA. He added that the agreement restated the program of assistance to Italy authorized by the UNRRA Council at Montreal. The Council's program called for care of, and welfare services for, children and expectant mothers; assistance in the care and return to their homes of displaced persons; and the provision of medical and sanitary aid and supplies. UNRRA expenditures of foreign exchange for these purposes will be up to \$50,000,000.

Another phase of the UNRRA program in Italy, Mr. Keeny stated, is directed to the care of displaced persons of United Nations nationality, stateless persons, and German-Jewish refugees. Also provided for are operations for aid in the control of epidemics such as anti-malarial and anti-typhus campaigns.

UNRRA will, under the present arrangements, supply all imported goods without any charge to Italy. As in other countries receiving UNRRA supplies, the local government will bear the expenses incurred locally in local currency in execution of the relief and rehabilitation program. To cover the local expenditures the Italian Government has agreed to establish a 50,000,000 lire advance and to add quarterly to the credit an amount in lire equaling the dollar expenditures by UNRRA.

It is anticipated that by far the largest part of this lire fund will, with the agreement of UNRRA, be used by Italian Government agencies for such expenses of the relief programs as unloading, warehousing, transportation, and distribution of supplies, and for the purchase of fuel and local supplementary produce. It is expected that only a small part of this fund will be spent by UNRRA for its program of assistance to non-Italian refugees and for its own local administrative expenses.

The program is designed to furnish about 1,700,000 children and 300,000 pregnant and nursing mothers, a total of 2,000,000 persons, with an average of 750 calories of additional food daily for a period of approximately one year. "It is important to note," Mr. Keeny said, "that such food is to supplement the basic rations provided

by other authorities and that the UNRRA program will not in any sense replace any existing relief activity. Because of budget limitation, priority will have to be given to children and mothers who are suffering most seriously from undernourishment and malnutrition.

"Since our aid must be largely in the form of supplies it will be almost entirely dependent upon the shipping situation. Our funds, it is estimated, will provide an average of 15,000 tons of supplies monthly for one year. I can announce that the first 15,000 tons of shipping has been approved by the shipping authorities, and 5,000 tons of this are expected within the month, of which more than 2,000 tons have been received."

Mr. Keeny stated that "it is UNRRA's policy to make the fullest possible use of existing distribution agencies. The functions of the UNRRA staff in Italy will be mainly in getting the supplies and planning, advising, and observation."

"We are prepared," he declared, "to furnish medical and sanitary supplies to supplement those presently available. At the request of the Italian Government we will also furnish some medical personnel to render advisory service.

"The aid planned for Italian refugees, both displaced and in refugee camps, includes furnishing supplies, such as food, made available to children and mothers as a part of the supplementary feeding program; providing clothing and camp supplies. Voluntary-society personnel, working under UNRRA's direction, namely: the Friends' Ambulance Unit, Save the Children Fund, Catholic Committee for Relief Work Abroad, International Voluntary Service for Peace, and Jewish Relief Unit, have already been assigned to aid the Italian Government in refugee-camp-welfare maintenance, health and hygiene programs. The nature and scope of such assistance has been determined after consultation with appropriate Italian Government authorities.

"At the request of the military we are assuming responsibility for certain camps and hospitals in southern Italy now caring for refugees of United Nations nationality. As necessity develops and with the concurrence of military authorities we may expand our program of assistance to such displaced persons as are not in refugee camps. In general we shall attempt to give relief to individual families as well as to persons assembled in camps.

"A program of epidemic control is being developed in cooperation with military authorities and the Italian Government. Our part in such a program, in addition to furnishing expert advice, will include the furnishing of necessary imported supplies such as DDT, Paris green, screening, hand tools, sprayers, and atabrine tablets. Our first activity in this respect will be in aiding to control the growing threat in certain parts of Italy."

International Cotton Advisory Committee

DESIGNATION OF REPRESENTATIVES TO FOURTH MEETING

[Released to the press March 29]

The various governments which are participating in the fourth meeting of the International Cotton Advisory Committee opening in Washington on April 2 have designated the following persons to serve as their representatives:

India

S. K. Kirpalani, India Government Trade Commissioner and Acting Head of India Supply Mission, Washington

S. D. Chard, Cotton Adviser to the Government of India, Bombay, India

Turkey

Talha Sabuncu, Commercial Counselor, Turkish Embassy, Washington

Union of Soviet Socialist Republics

Mikhail M. Gousev, Chairman of the Board and President, Amtorg Trading Corporation, New York

Mexico

Manuel Alcazar, Ministry of Agriculture, Ciudad Juárez, Mexico

Brazil

Garibaldi Dantas, Chief, Cotton Classification Commission, São Paulo, Brazil

Deodoro I. Perrelli, President, Cotton Exporters Syndicate, São Paulo, Brazil

Flavio Rodrigues, President, Cotton Growers Union, São Paulo, Brazil

Peru

Pedro Beltrán, Ambassador, Peruvian Embassy, Washington

Juan Chávez, Minister Counselor, Peruvian Embassy, Washington

Mr. Keeny said in further explanation that the appropriation of \$50,000,000 for Italian relief, while under no time limit, was being budgeted for expenditure over a period of one year. He added that, on the basis of present plans, the non-Italian staff of UNRRA's Italian Mission is expected to consist of about 75 persons connected with the programs for the benefit of Italy and of about 150 persons connected with the hospitals and centers caring for non-Italian refugees.

British Cotton Exporting Colonies

E. Melville, British Colonies Supply Mission, Washington
J. P. Summerscale, First Secretary, British Embassy, Washington

Egypt

Mounir Bahgat, Agricultural Attaché, Egyptian Legation, Washington

M. A. Kilani, Ministry of Agriculture, Cairo, Egypt

A. M. Allouba, Ministry of Finance, Cairo, Egypt

French Cotton-Exporting Colonies

Edouard Senn, Chief of Textile Division of French Supply Mission, Washington

United States of America

L. A. Wheeler, Department of Agriculture

E. S. Mason, Department of State

C. C. Smith, Department of Agriculture

C. D. Walker, Department of Agriculture

The International Cotton Advisory Committee was established, in accordance with the recommendations of the International Cotton Conference held in Washington in September 1939, for the purpose of keeping the interested countries abreast of developments in the world cotton situation and of suggesting practicable measures from time to time for international collaboration in the solution of world cotton problems.¹

In accordance with these continuing functions previous meetings of the Committee, all of them in Washington, were held on April 1, 1940, October 17, 1940, and April 11, 1941, by which time war developments made further meetings impracticable. The situation now is such that the Committee can resume its normal activities.

¹ BULLETIN of Mar. 25, 1945, p. 475.

Combined Reappraisal of Supply and Requirements

JOINT STATEMENT BY THE DEPARTMENT OF STATE AND THE BRITISH EMBASSY

[Released to the press March 28]

During the war years, the governments of the United States, the United Kingdom and the British Dominions have worked together to apportion the essential foodstuffs, commodities and products available so as to insure that the necessary supplies were provided for the allied troops and to maintain the basic war economies of their own countries and of their allies. In recent months it has become apparent that the world food supply situation is becoming increasingly critical. This is largely due to the increasing requirements of our armies and those of our fighting allies, and of the areas which have been liberated from enemy occupation and in part to difficulties of transportation and production.

The governments concerned have met the continuing and increasing requirements of our troops fighting a global war and, in addition, have sent—and are sending—substantial quantities of food and other essential supplies to the civilian populations of the liberated areas—in Europe, in the Mediterranean and in the Pacific. Some of these supplies have been furnished directly by the United States, the United Kingdom and the British Dominions, some have been retransferred out of stocks shipped to the United Kingdom on United States Lend-Lease or Canadian Mutual Aid. Our common resources have been used for the common end. Recently, however, whereas the demands which have to be met have been growing with the increasing progress of our armies, the supplies available have not increased commensurably. In order to be able to continue to meet these essential needs to the fullest extent possible, a combined re-appraisal of the whole supply and requirements picture will now be made.

At the invitation of the President, the Prime Minister has now sent the Rt. Hon. Oliver Lyttelton, member of the War Cabinet, and the Rt. Hon. J. J. Llewellyn, Minister of Food, to the United States to work out these difficult problems with highest authorities of the United States Government. All relevant factors will be discussed, including the levels of consumption and the reserves

necessary to support the war effort in the countries concerned.

Announcement Regarding Communications Facilities With Bulgaria and Rumania

[Released to the press March 31]

As of March 30, 1945, according to announcements of the Treasury and Post Office Departments, communications facilities are available between this country and Bulgaria and Rumania. Postal service will be open for communications to both countries. Telecommunication service with Bulgaria has also been restored, but telecommunications to Rumania are not being accepted for the present.

Effective immediately, non-illustrated postcards and letters not weighing more than one ounce will be accepted for mailing to Bulgaria and Rumania. Communications may relate to business as well as personal matters. Postage rates will be 5 cents for each letter and 3 cents for each card. Airmail, registration, money-order, and parcel-post services are not yet available. No facilities are available as yet for sending support remittances to Bulgaria and Rumania. The transmission of currency, securities, money orders, checks, drafts, or other financial instruments continues to be prohibited.

The Treasury Department has announced that communications of a business, financial, or commercial nature which are limited to the ascertainment of facts and exchange of information may be transmitted to and from Bulgaria and Rumania without Treasury license. Accordingly, banks and other financial institutions may reply to requests for information from their customers. Documents such as birth, death, and marriage certificates, wills, commercial reports, and financial statements may be forwarded and solicited. Treasury licenses are still required for communications containing instructions or authorizations to effect financial or property transactions. Concerns in the United States may correspond with firms in Bulgaria and Rumania with respect to the resumption of business relations, but private-trade transactions will not be licensed until arrangements for the resumption of private trade have been made.

"Building the Peace"

America's Good Neighbors¹

[Released to the press March 31]

VOICE No. 1: What happened to the Monroe Doctrine at Mexico City?

VOICE No. 2: What is this Economic Charter for the Americas?

VOICE No. 3: What about Argentina?

ANNOUNCER: Good questions. And for authoritative answers, NBC's University of the Air calls upon top experts—officials of the Department of State itself—in this, the sixth of

a series of seven broadcasts on the problems of *Building the Peace*. Copies of all seven broadcasts are available on request. These programs are the most extensive attempt yet made to bring American foreign policy closer to the people. They are broadcast not only to this country but, through the facilities of the Armed Forces Radio Service, to our service men and women overseas, wherever they are stationed.

This time the discussion concerns America's Good Neighbors—our sister republics to the south—and our policy toward them. Assistant Secretary of State Archibald MacLeish, the chairman of the State Department programs, has with him Assistant Secretary Nelson Rockefeller, who is responsible for American republic affairs, and Mr. Avra Warren, Director of the Office of American Republic Affairs in the Department. Later in the program our Ambassador to Cuba, Spruille Braden, will speak briefly from Habana.

MACLEISH: This is Archibald MacLeish. Our Latin American neighbors have been good neighbors indeed, at the time when we needed them

¹ This program broadcast over the network of the National Broadcasting Company on Mar. 31, 1945 is the sixth in a series of seven broadcasts sponsored by the Department of State.

PARTICIPANTS

ARCHIBALD MACLEISH

Assistant Secretary of State

NELSON ROCKEFELLER

Assistant Secretary of State

AVRA WARREN

Director, Office of American Republic Affairs, Department of State

SPRUILLE BRADEN

Ambassador to Cuba

KENNEDY LUDLAM

Announcer for NBC

most. When Japan attacked Pearl Harbor, and Hitler declared war on us, almost without exception the republics to the south immediately broke relations or declared war on the Axis nations. We have stood together in the common defense of the Americas, North and South, with each nation contributing what it could for the united war effort.

Now, Nelson Rockefeller here has been

closely associated with our policy toward the Americas to the south. For four and one-half years, until his recent appointment as Assistant Secretary of State, he was Coordinator of Inter-American Affairs. He was a delegate to the recent Inter-American Conference on Problems of War and Peace at Mexico City. Mr. Rockefeller, millions of us who didn't get to Mexico City were greatly impressed by the job that conference did.

ROCKEFELLER: That conference really marked a great step forward in the evolution of our inter-American system. The conference itself was called as a result of suggestions from the other American nations, and they took the lead time after time in proposing action and rounding out the whole program.

MACLEISH: Granted. But you don't need to be too modest. We thought the United States Delegation did a good job too.

ROCKEFELLER: The thing that struck me most about that was how the members of our Delegation, with their varied backgrounds, worked together. Republicans and Democrats, representatives of business, labor, and agriculture all worked as a team. They were American citizens first of all—and I mean that in the broadest sense. They were citizens not merely of the United States, but

of the *Americas*. And I want to add: the press and radio coverage of the meetings was magnificent. There were 56 U. S. newspaper and radio men down there, and they did a mighty fine job of reporting.

MACLEISH: One immediate consequence of that meeting would seem to be evident this week in the Argentine Government's declaration of war against the Axis and formal adherence to the acts of Mexico City. What some people are asking now is whether this is a sincere move.

ROCKEFELLER: Well, Mr. MacLeish, we believe, on the developments to date, that the Argentine Government has reoriented its position both on the war and with regard to the American security system. The steps already taken in Argentina have been taken against the opposition of the extreme nationalists down there—judging from the reports. We look forward with confidence to the early fulfilment of our hopes and the hopes of the peoples of the Americas.

MACLEISH: Isn't it true that the Mexico City conference made it pretty clear that more than a declaration of war would be required to bring Argentina back into the society of American republics?

ROCKEFELLER: Yes. We are following closely the day-by-day developments in Argentina. As you no doubt are aware, the first paragraph of the Argentine declaration of war announced their adherence to the final act of the Mexico City conference. This act provided clear and unequivocal resolutions including agreement to the acts in unison against acts of aggression; strict control of Axis persons and property; denial of asylum to and provisions for arrest of Axis war criminals.

MACLEISH: But what has Argentina done to back that up?

ROCKEFELLER: Well, the final paragraph of the Argentine declaration of war provides: "The respective ministries . . . will adopt immediately the measures necessary for a state of belligerency as well as those required to put an end definitely to all activities of persons, firms and enterprises . . . that might make an attempt against the security of the state or interference with the war effort of the United Nations or threaten the peace and good will, welfare and security of the American Nations."

In accordance with that directive steps have already been taken to suppress Axis propaganda.

Japanese diplomatic and consular officers have been interned. The crew of the *Graf Spee* have been made prisoners of war. All Axis firms have been taken over. Axis funds have been blocked; this latter step should stop the use by Germans of any funds that they have accumulated in Argentina, thus eliminating the power and influence of their agents.

MACLEISH: And hasn't the Board of the Pan American Union acted on Argentina's recent declaration of adherence?

ROCKEFELLER: Yes. At a special meeting today of the Board of the Pan American Union, the Ambassadors of the American nations unanimously adopted the following resolution:

"The Governing Board of the Pan American Union has noted with satisfaction the measures adopted by the Argentine Government. . . . The Board believes that these measures are in accordance with the criteria of Resolution 59 of the Conference of Mexico and, consequently, resolves to request the Director General of the Pan American Union to transmit the above-mentioned communication of the Argentine Government, together with a copy of this resolution, to the President of the Inter-American Conference on Problems of War and Peace, His Excellency Ezequiel Padilla, with the view to the signature by Argentina of the Final Act of the Conference of Mexico."

And let me add that Dr. García Arias, representing Argentina at the Board meeting today, stated that Argentina, in common with the other republics, is determined to preserve "the democratic principles that constitute a common aspiration of the nations of this continent."

MACLEISH: We have had two types of criticism of our policy toward Argentina in the past, and from opposite sides. On one side is the Army lieutenant who says, "What are we doing fighting all over the world to stamp out Fascism and dictatorship, while we let it grow up in our own back yard?" That sort of criticism has grown more pointed since the Yalta declaration, by which we accepted joint responsibility for preventing the rise of new Fascist dictatorships in liberated Europe. On the other side it has been charged that by refusing to recognize the Argentine Government we have been intervening in her internal affairs and that this was causing the deterioration of inter-American unity. What is your comment on these conflicting points of view, Nelson?

ROCKEFELLER: This is a very important question, Archie, and I'm glad you asked it. A policy of intervention may be necessary in war-torn Europe. In the Western Hemisphere we have developed other means of encouraging the growth of democracy.

In 1933 President Roosevelt pledged this country to a policy of non-intervention. Again in 1936 together with the other American republics we renewed the pledge to a policy of not interfering with the internal affairs of the other nations of the hemisphere. In other words, it is up to the people of each country to work out their own internal problems as long as they don't interfere with the peace and security of their neighbors.

MACLEISH: And the result of that policy has been the withdrawing of our Marines from Haiti and Nicaragua.

ROCKEFELLER: Yes, and it is the basis for the security and free sovereign equality of small nations in this hemisphere. This policy is sound, not only from the point of view of the freedom of the individual country but also from the point of view of the gradual growth and development of democracy. You can't superimpose democracy by force from the outside—it must grow up from the people, and economic and social conditions must exist which encourage and permit its growth. For instance, you couldn't expect to create or maintain democracy in a country in which a great majority of the population is illiterate, simply by forcing that country to hold elections.

MACLEISH: There are a lot of people who argue that we shouldn't wait for a dictatorship to reform itself.

ROCKEFELLER: I believe that true democracy can only be developed under conditions which nurture its growth. It is the policy of the United States to encourage and assist in the development of those forces which make for economic development, a rising standard of living, and the growth of democracy. This means cooperation in the fields of education, health and sanitation, development of food supplies for internal consumption, transportation, industrialization, together with a free flow of information. All of these factors lead to the betterment of the conditions of life of the people, and encourage the growth of knowledge and understanding. For the past four and a half years the Office of the Coordinator of Inter-American Affairs, with which I was formerly connected,

has been working in all these fields throughout the Americas.

MACLEISH: And a grand job you and your colleagues did, if you will let me say so. I happen to believe myself, as you have probably heard me say, that the relations between peoples *as* peoples—the relations for which we use the rather inadequate word *cultural*—are more important over the long run than the more dramatic and exciting relations which are referred to as *diplomatic* or *political*. Your work in health and sanitation brought the people of many of the American republics into direct and human connection with men and women of the United States.

ROCKEFELLER: The people of the Americas have come to realize that the democracy is a *dynamic force* which is working in their best interests. Don't you agree, Avra?

WARREN: Yes, I think that almost all of the people of the American republics generally have a definite democratic outlook. They all won their freedom the hard way, and they believe in freedom for the individual. They want freedom of information—the Mexico City conference passed a strongly worded resolution on that. They all definitely want to move in the direction of self-government. And we're in complete sympathy with their democratic aspirations.

MACLEISH: The program in the cultural field which the Coordinator's Office turned over to the Department of State several years ago went even further in creating the common popular understandings which are far more important in the long run than the diplomatic understandings, or even the treaties and agreements. I am sure you will agree to that. For myself, I believe that when the Department is authorized by legislation to extend its cultural program to countries outside the Western Hemisphere, we will enormously increase the understanding and the good-will and therefore the hope for peace as between our people and the peoples of other nations.

ROCKEFELLER: I agree entirely. I am a great believer myself in personal contacts—the kind of exchanges of students and of teachers which we worked out in the early days of our program in South America. That was a two-way proposition aimed at building better understanding at both ends and cementing our common ties in this hemisphere.

MACLEISH: Then, of course, over and above personal contacts, we have the opportunities offered by modern means of communication which put nations into the closest possible touch with each other and offer an opportunity for the development of mutual understandings such as we never had before. But let's get back to the work of the Mexico City conference. A cornerstone of the whole inter-American system adopted at Mexico City was the Act of Chapultepec. Most commentators up here felt that it was the outstanding achievement of the conference. Will you describe that act briefly, Avra, beginning with the name itself?

WARREN: The name, of course, came from the historic old Castle of Chapultepec, where the meetings were held. In brief, the act states very simply that all of the American republics will consider an act of aggression against any one of them as an aggression against all, whether it comes from outside this hemisphere or from within. It is the last step to outlaw war in the Americas. One of the most gratifying points was that the initiative for the Act of Chapultepec came from the other American republics.

MACLEISH: Just how does the act operate?

WARREN: If any American nation shows signs of becoming an aggressor, whether by economic, political, or military means, the rest of the nations consult together. If it is apparent that aggression threatens, all the consulting American states may take any of the following steps—break communications or interrupt economic, financial, and commercial relations with the potential aggressor.

MACLEISH: A quarantine, then. But peaceful pressure isn't always enough, as our experience with Japan has shown, Avra.

WARREN: If the aggressor is not discouraged by peaceful pressure, then armed force is to be used to prevent or repel aggression.

MACLEISH: What provided the drive behind all this? Colombia, Uruguay, and Brazil presented the original declaration of Chapultepec to the conference, I believe. Were they actually afraid of aggression from within the continent?

WARREN: Yes, Archie, there *had* been a growing uneasiness about this during the past year or so—a fear which was reflected by the various governments of the Americas in increased expenditures for military purposes, at a time when danger

of aggression from the Germans and Japanese was decreasing. These expenditures the countries could ill afford. They need the money for schools, health services, public works, and such things, which are important to a rising standard of living and the growth of democracy.

MACLEISH: I'd like to raise a question of basic importance at this point: Is the Act of Chapultepec inconsistent with the proposals we'll be sponsoring at San Francisco? One publication has declared that the act is a "strangely contradictory instrument for a sponsor of the Dumbarton Oaks program to support".

ROCKEFELLER: It isn't contradictory.

MACLEISH: Here's the issue: The Act of Chapultepec, as I understand it, calls for immediate action on the part of the American republics, by force of arms if necessary, against any aggression in this hemisphere. Right?

ROCKEFELLER: Immediate action after consultation, yes.

MACLEISH: Now, the Dumbarton Oaks Proposals say that "The Security Council should encourage settlement of local disputes . . . by such regional agencies," it's true. But they also say that "no enforcement action should be taken . . . by regional agencies without the authorization of the Security Council." Does this mean we'll be going to the San Francisco conference with a regional set-up which is inconsistent with that clause?

ROCKEFELLER: Not at all, Archie. The Act of Chapultepec itself provides that the new inter-American set-up "shall be consistent with the purposes and principles of the general international organization, when established." We all recognized that we've got to have world peace and security, first of all, if the Americas are to be secure from attack. The inter-American system and the world Organization have exactly the same objectives—world peace and security.

MACLEISH: Let me be more specific, Nelson: If there is armed aggression against any signatory nation in this hemisphere then the other American nations are pledged to consult and take immediate action.

ROCKEFELLER: Yes. That provision became effective immediately, and will continue for the duration of the war. That's necessary to insure against any disruption of our war effort. But

after that, the same provisions must be renewed, in the form of treaties, if they are to take permanent effect. By that time the world Organization will be taking shape, and the regional commitments can be reconciled with it.

MACLEISH: But meanwhile if these hemispheric guaranties—and I think we all agree that they're good ones—if these guaranties stand, and the Dumbarton Oaks Proposals are adopted, wouldn't something have to give somewhere?

ROCKEFELLER: No. As I said, the American republics are already committed to operating within the framework of the United Nations Organization to be set up at San Francisco. There can't be any conflict for that reason.

MACLEISH: Let's suppose that some American country should attack a neighboring country. The Act of Chapultepec calls for immediate action against the aggressor. But under the Dumbarton Oaks Proposals, the American nations would have to get the approval of the world Security Council before acting. Any one of the big powers not involved—the permanent members of the Council—could veto the proposal for regional action, even of a non-military sort. Or the Security Council might delay giving its approval. What then?

ROCKEFELLER: I'd say that would be most unlikely, in a clear-cut case of aggression, Archie.

MACLEISH: I'll admit that. But it is a possibility.

ROCKEFELLER: Yes. That's one of the problems that must and will be worked out at San Francisco. But whatever the solution, we—the American republics—are committed to working within the system set up there.

MACLEISH: Since the American republics have a common interest in problems such as this, will they go to San Francisco as a bloc? How about that, Avra?

WARREN: On the contrary. Of course, we have common interests, because of our geographical position. But every American nation represented there realizes its responsibilities to the world and will be pulling first of all for a workable international organization. The results of the Mexico City conference have given all of the American nations a sense of security at home, which permits each one of them to go forth and take part in world affairs as individual, free, sovereign nations.

MACLEISH: Now, a lot of people have been asking where this leaves the Monroe Doctrine. Is it dead, or just subordinated?

ROCKEFELLER: The Monroe Doctrine was originally a United States policy. For the last eight or ten years, it has become more and more the doctrine of the Americas—it has been adopted by all the Americas. The Act of Chapultepec has completed that trend, now that Argentina has decided to go along. The other nations have invited us to come in with them on the use of force to stop aggression—a great change from their past position. But I'd like to ask Avra Warren to give us a little background here. As one of the ablest Ambassadors in the Foreign Service, and a specialist on Latin America, as well as world problems, his experience goes back much farther than mine in this field.

MACLEISH: Fine. Go ahead, Avra. Perhaps you could sketch the evolution of our policy from the Monroe Doctrine to Mexico City. That is, if you can cover more than a century of time, in say, a couple of minutes.

WARREN: That's a tall order, Archie. The original Monroe Doctrine in 1823 put a sign up on the shores of the Americas that said to the European countries: No more colonization, no attempts to take back the former colonies in this hemisphere. Signed, the United States of America. That was directed at the Holy Alliance, and we had the power of the British Navy behind us to help hold that alliance in check. And the new republics to the south of us were not averse to our position at the time.

MACLEISH: They only began to take exception to it when we intervened in their affairs, especially during and just after the first World War, when our troops were sent into the Caribbean area. But the good-neighbor policy put an end to that. One of President Roosevelt's first acts when he took office in 1933 was to withdraw the last of the Marines from Haiti.

WARREN: Yes, and that was the year of the Montevideo conference, where we made it clear that we would henceforth do nothing to interfere with the internal affairs of any American nation. That's the essence of the good-neighbor policy. It is not our policy alone. All the countries took the same pledge.

MACLEISH: Some of the other countries were suspicious of us at first. They thought that we

were setting the stage for some new form of imperialism, didn't they, Nelson?

ROCKEFELLER: Yes, but they were soon convinced that we really meant what we said. The Monroe Doctrine still stood, as a warning to outside nations, but it received additional backing by 20 other American nations at Habana in 1940 and at Rio de Janeiro in 1942. All the American nations told aggressors to keep out. They made it even stronger at Mexico City, with the Act of Chapultepec.

MACLEISH: In addition to the Act of Chapultepec, Nelson, what would you say were the main achievements of the Mexico City conference?

ROCKEFELLER: I'd put the strengthening of the Pan American Union near the top of the list. Avra, do you want to go into that?

WARREN: The Pan American Union will be empowered to act on matters of common military, economic, political, and cultural interests. It will act as a sort of board of directors for the American nations and will be vested with considerable political responsibility.

MACLEISH: In other words, it has been a consultative body on non-political matters in the past, but it is now going to be given political powers. How would these be exercised? What will the machinery be?

WARREN: The Governing Board of the Pan American Union will have regular meetings at least once a week here in Washington. They will be backed up—and this is most important—by an annual meeting of Foreign Ministers and by regular four-year meetings of the American states. The machinery for adjusting all of the problems of the Americas will be met on those various levels.

MACLEISH: Just what actual powers would be added?

WARREN: The Pan American Union has been given jurisdiction over any question affecting the unity or solidarity of the American republics. This is a substantial new power of a political nature. Furthermore, the Pan American Union will arrange inter-American conferences, administer all inter-American agreements such as the Act of Chapultepec, bring together and codify all inter-American laws and declarations, draw up a charter further strengthening inter-American organization. Then there has been created under the supervision of the Pan American Union an Inter-American Economic and Social Council to make studies and recommendations for the social prog-

ress and raising of the standard of living of all the American peoples.

MACLEISH: Now, I'd like to bring up one further achievement of the Mexico City conference: The Economic Charter for the Americas. What's the significance of that charter?

ROCKEFELLER: It's a long-range program, an outline of goals. It's got to be implemented, of course. But it represents agreement on fundamental aims: for rising levels of living, equal access to raw materials, reduction of trade barriers, free movements of capital, agreements for distribution of surpluses, and recognition of labor's rights.

MACLEISH: These aims are fine; but one magazine writer has complained that the charter doesn't "get down to earth." Isn't the real question in the minds of the peoples of the other Americas what will happen in the very near future—when the war is over in Europe? After all, the war has almost doubled our trade with Latin America, and even dropping back to normal would have pretty severe results. To some countries, the transition from war to peace appears more dangerous than the war itself.

ROCKEFELLER: Yes, they're concerned most of all about what will happen to them after we cut off our purchases of war material but before normal civilian buying resumes. If the transition isn't handled carefully, some of the countries whose economies depend largely on exports might very well collapse and actual starvation might ensue. Economic collapse could lead to political disorders, which might impair the whole inter-American system and the future well-being and security of our own country.

WARREN: In 1933, when the depression was at its worst, 18 out of 20 of the other American republics experienced revolutions. We've got to help maintain economic and political stability if we want to see the aims of the Economic Charter realized.

ROCKEFELLER: That's why we agreed to give as much advance notice as possible before we stop buying war materials. We've pledged ourselves to work together to maintain economic stability in the whole hemisphere during the transition period.

MACLEISH: There are some who like to accuse us of wanting to play "Santa Claus" when we try to work out a fair program for the transition.

ROCKEFELLER: I think Will Clayton made our position very clear down in Mexico City. We don't owe anyone anything. Each country has

done its part in its own and the group's best interest. We must consider our own interests first. But we know our interests can't be separated from those of the other American republics. We know, for example, that we've got to build up our foreign trade if we are going to maintain a national income of around 150 billion dollars such as we have now. And we can't do that if our good neighbors are down and out. The only way they can buy more from us is for them to enjoy higher earning power.

MACLEISH: Some people believe that industrialization would make competitors.

ROCKEFELLER: That's the old colonial concept. You've got to have markets, too. And industrialization furnishes markets for our products. That's pretty universally recognized now. You only have to realize that Canada, with 11 million people, buys more goods from us than we have ever sold in any one year to all of the 130 million people in Latin America. That's because Canada is highly industrialized, and has a high standard of living. Latin America wants to industrialize, too. They've got the dollar surpluses to do it with down there now, from selling us war supplies, and not being able to buy goods in return.

MACLEISH: Now, it's time we got Ambassador Spruille Braden down in Habana in on this discussion, to add something on the special problems of the Caribbean countries. What do you say, Spruille? Come in, Habana!

BRADEN:¹ First I'd like to say, Archie, that everyone with whom I have talked here feels that the splendid accomplishments at Mexico City will unquestionably contribute to the solution of post-war problems. And they will be big problems for the Caribbean area.

This area is of tremendous importance to us economically and geographically. For instance, Cuba last year was the largest exporter to the United States of all of the American republics and ranked third among them as a customer for American goods. Our direct investments in Cuba are the second largest which we have in the world, exceeded only by our direct investments in Canada. These facts are all the more remarkable considering that Cuba is only the size of the state of Pennsylvania and has only about half as many inhabitants.

¹ Owing to technical communication difficulties between Washington and Habana, Mr. Braden's remarks were not heard.

Aside from the economic aspects, the strategic position of the Caribbean area is very important to the defense of the hemisphere. That is why it became imperative to establish military bases throughout the area. The Germans were fully alive to the vital strategic value of the Caribbean and had laid deep plans years before the outbreak of war in Europe placing fifth columnists in these countries. Fortunately all of the Caribbean countries declared war against the Axis simultaneously with the United States. Moreover, long before we entered the war, steps were taken to curb the activities of subversive agents. For instance, in January 1939 the Nazis still had control of all the principal airlines, with 134 trained military pilots and other German technicians operating within only a few hundred miles of the Panama Canal. The Colombian Government took steps to end this situation, and by June 10, 1940 every last one of these dangerous elements had been eliminated, thereby averting what 18 months later might have been another Pearl Harbor at the Panama Canal. Here in Cuba there are hundreds of Germans and Japanese interned, and everyone is familiar with the case of Heinz August Luining, a dangerous Nazi who was captured and executed by the Cuban authorities in 1942.

In other words, there is a very definite interdependence among all of the American republics both in war and peace, in trade and every other way. That's why we must all work together to solve our mutual post-war problems, and why the strengthening of the ties of friendship and cooperation which was attained at Mexico City is of such importance to all of us. That's how it looks from Habana.

MACLEISH: Thanks a lot, Spruille. Now, here's a highly controversial question that frequently crops up in our State Department mailbag: What about the charge that we have employed only Catholics, or that we have played up Catholicism excessively in our relations with Latin America? A recent magazine article claimed that we had antagonized some elements in the Latin American countries by leaning too far in that direction.

ROCKEFELLER: We follow a strict policy of non-intervention in religious matters. We have been attacked for not having enough Catholics in our missions to Latin America as well as for having too many. We just pick the best man for the job. Freedom of religion is one of the four freedoms, and we adhere to it straight down the line.

MACLEISH: That policy was put down in black and white last week in a directive which the State Department sent to informational agencies dealing with international problems. It reads: "The policy of the United States Government in the dissemination of information abroad, where questions of religion are involved, is determined by the United States constitutional guaranty of freedom of worship. All denominations will be treated alike, and no denomination will be singled out for special treatment."

WARREN: As a matter of fact, Archie, I don't think that anyone has ever figured out how many of the officers of the Department of State who deal with the Latin American countries are Catholics and how many are Protestants. There are, of course, some countries where attitudes toward religion are extremely conservative and where there have been objections to some aspects of Protestant and Evangelical activity. But the Department, in working out with the various other American states relationships on cultural and educational lines, does not support either Catholic or Protestant institutions as such.

MACLEISH: Another criticism we sometimes get is that we have bolstered the non-democratic governments by supplying them with guns and tanks during the war which they used against the opposition. What do you say to that, Nelson?

ROCKEFELLER: There is no question that putting armaments in the hands of strongly centralized governments does not encourage the growth of democracy. But there has been only one guiding objective in the distribution of armaments among the American nations during the war. That was the vital consideration of the defense of the Western Hemisphere and the security of the United States itself. In this we have had the wholehearted and effective cooperation of all the Governments which have received lend-lease equipment.

MACLEISH: To sum up, then, our policy toward our neighbors in Latin America is to try to be good neighbors ourselves. We feel our interests coincide with theirs. We are especially proud of our joint achievements at the Mexico City conference in guaranteeing security against aggression, taking measures to prevent an economic collapse in Latin America which might endanger our prosperity as well as theirs, and increasing the stability of the inter-American system. We are glad

that Argentina has seen fit to end its isolation from the rest of the hemisphere. We want to see democracy grow throughout the Americas. We don't think direct intervention is the best way to bring about democracy; rather we want to help create the conditions which will encourage democratic life and institutions—higher standards of living, health and education. For our mutual benefit, we intend to encourage the growth of new industries in the republics to the south of us, and to encourage an ever-increasing exchange of goods and skills and ideas among all of us. Above all, we want the peoples of the Americas to know each other.

ANNOUNCER: That was Archibald MacLeish, Assistant Secretary of State in Charge of Public and Cultural Relations. With him were Assistant Secretary Nelson Rockefeller and Mr. Avra Warren, Director of the Office of American Republic Affairs. This was the sixth in a series of seven programs arranged by NBC's University of the Air and featuring top officials of the State Department on the problems of *Building the Peace*. If you would like a copy of this broadcast, or of all seven, write to the Department of State, Washington 25, D. C.

Next week you will hear the final program of this State Department group, a program entitled "It's Your State Department." Assistant Secretary of State Archibald MacLeish will be back again. With him will be Assistant Secretary Julius Holmes, who is in charge of administration in the Department, and Mr. Michael J. McDermott, Special Assistant to the Secretary of State in Charge of Press Relations. They will answer such questions as these:

VOICE No. 1: What is our Foreign Service doing to prevent Axis leaders and their money from finding a "safe haven" in neutral countries?

VOICE No. 2: What is the Department's "new information policy"?

VOICE No. 3: How does the cultural-cooperation program work out?

ANNOUNCER: Following next week's broadcasts, ranking members of the Senate Foreign Relations Committee will be heard, after which the series will move out to San Francisco for the United Nations Conference.

This program came to you from Washington, D. C., the Nation's capital. This is the National Broadcasting Company.

Basic Data on the Dumbarton Oaks Proposals

ANNOUNCEMENT BY THE DEPARTMENT OF STATE

The pictorial chart and the four *Foreign Affairs Outlines* appear below.

The *Outlines*, prepared in response to the growing demand for appropriate study and discussion materials, are designed for the use of speakers and discussion leaders.

The Proposals,¹ with the chart as a center spread may be secured in an eight-page folder 8" x 10½". Each one of the *Foreign Affairs Outlines* appears in a separate four-page folder 8" x 10½", and these are available as a set of five pieces including the eight-page folder.

The pictorial chart, 21" x 27" in two colors, is available for wall display.

Requests should be addressed to the Division of Public Liaison, Department of State, Washington 25, D. C.

[Released to the press April 3]

The State Department has prepared a series of pamphlets containing basic data about the Dumbarton Oaks Proposals. These pamphlets are now ready for distribution to individuals and organizations which have asked the Department for such information.

The demand for official information about the Dumbarton Oaks Proposals has been very great. Church federations, business, farm and labor organizations, service clubs, women's clubs, and

international-relations groups have asked for millions of copies of literature to distribute to their members. In addition, individual requests have been received by the Department at the rate of several thousands a week.

Included in the material being released are a pictographic chart showing the structure and functions of the proposed United Nations Organization, the full text of the Dumbarton Oaks Proposals, and a series of "Outlines" discussing the operations of the proposed Organization. The pictographic chart will also be available in a size suitable for wall exhibition.

¹ Printed in BULLETIN of Oct. 8, 1944, p. 368, and Mar. 11, 1945, p. 394.

THE UNITED NATIONS

AN ORGANIZATION FOR PEACE



ENCOURAGES NATIONS TO COOPERATE

Seeks solutions to pressing political, economic, and social problems and helps nations to cooperate in solving them.



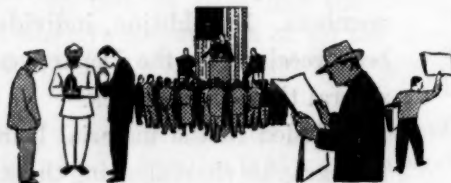
PROMOTES PROSPERITY

Helps nations work together for post-war reconstruction, increased trade, dependable money, and economic development.



ADVANCES SOCIAL PROGRESS

Helps nations to raise standards of living, health, and education to achieve a richer life for all.



FOSTERS FREEDOMS

Cultivates respect for human rights and fundamental freedoms, to insure the free flow of knowledge essential to material and spiritual growth.



COORDINATES INTERNATIONAL AGENCIES

Assures coordination and cooperation among the international organizations working on vital problems.

INTERNATIONAL COURT OF JUSTICE



GENERAL ASSEMBLY



ECONOMIC
COMMISSION
SOCIAL
COMMISSION
OTHER
COMMISSIONS

ECONOMIC & SOCIAL COUNCIL

SECRETARY GENERAL

SECRETARY GENERAL

INTERNATIONAL LABOR ORGANIZATION

UNITED NATIONS FOOD AND AGRICULTURE ORGANIZATION

OTHER SOCIAL AND HUMANITARIAN AGENCIES
HEALTH—EDUCATION—CULTURAL

INTERNATIONAL MONETARY FUND

INTERNATIONAL BANK FOR RECONSTRUCTION & DEVELOPMENT

OTHER ECONOMIC AGENCIES

INTERNATIONAL ORGANIZATION FOR PEACE

The Proposals were recommended to their governments by the representatives of the United States, Great Britain, USSR, and



ADMITS NEW MEMBERS TO UNITED NATIONS

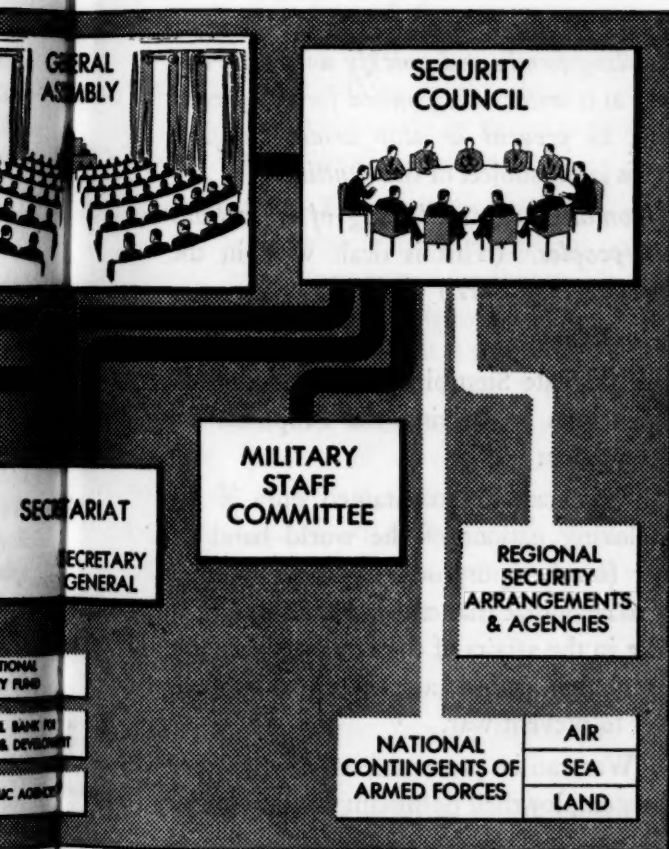
Brings in new member nations and, if necessary in the interests of peace, expels members or suspends their rights and privileges.

FOR FURTHER INFORMATION
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UNITED NATIONS

PEACE AND WORLD PROGRESS

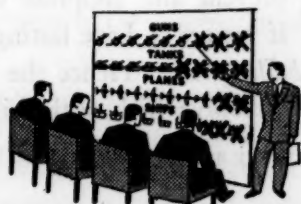


PROPOSED AT DUMBARTON OAKS

China and released on October 9, 1944. They are offered for full discussion by the governments and peoples of the United Nations.



FURTHER INFORMATION
ASK YOUR LIBRARIAN



MAKES PLANS TO CONTROL ARMAMENTS
Elaborates plans for the regulation and limitation of armaments.



INVESTIGATES DISPUTES BETWEEN NATIONS

Finds out about differences or disputes between nations that might lead to international friction or cause a threat to the peace.



SEEKS PEACEFUL SETTLEMENTS

Urges nations to settle their disputes by peaceful means, including appeal to the International Court of Justice.



DECIDES ON MEASURES TO KEEP THE PEACE

Security Council decides what steps should be taken if a dispute continues and war is threatened.



TAKES POLITICAL AND ECONOMIC ACTION

Cuts off trade, communication and diplomatic relations with nations threatening the peace. Member nations cooperate as requested.



TAKES MILITARY ACTION

As a last resort, uses armed contingents of United Nations to keep or restore the peace. Military Staff Committee advises on best use of forces.

Foreign Affairs Outlines on "Building the Peace"

Outline No. 1¹

War—How Can We Prevent It?

Peace Is Everybody's Business

In the coming months the foundations of peace will be laid. We want to make the best possible start. This means that the peoples of the United Nations must understand what is at stake, and what is proposed.

The *Foreign Affairs Outlines* prepared by the Department of State set forth in simple terms what this Government is doing or proposing. These *Outlines* give factual information for American groups interested in studying and discussing these vital public policies in their own way.

I hope every American will participate in discussion of these subjects during the coming months and will attempt to make up his mind about them. The Department of State will be glad to receive individual and group expressions of opinions on these crucial problems.

EDWARD R. STETTINIUS, Jr.,
Secretary of State.

A PLAN FOR PEACE

How Was It Prepared?

At Dumbarton Oaks—an estate in Washington, D. C.—experts from the United States, Great Britain, the Soviet Union, and China considered from every angle the problems of peace and security. They studied previous attempts to build and keep the peace. After long preparation and weeks of discussion they submitted proposals for an international organization which they believed would constitute a sound basis for a charter to be drawn up by a conference of all United Nations.

These Proposals, though not complete on all points or stated in final legal terms, were put before

the peoples of the United Nations for their careful consideration.

How Does the Plan Approach the Problem?

The experts, including our own, agreed that an international organization could try to prevent wars in two ways:

1. *By dealing firmly and quickly with each dispute as it arises, using united force, if necessary, to prevent or stop armed conflict.* (This is the subject of this *Outline*.)
2. *By promoting the well-being of all nations and peoples.* (This is dealt with in the next three *Outlines*.)

Four Principles

Secretary of State Stettinius has stated the following principles underlying the Proposals for keeping the peace:

1. "Peace can be maintained only if the peace-loving nations of the world band together for that purpose. In doing so, they have to recognize that each state has a right to a voice in the affairs of the family of nations; but also that nations are not equal in their power to prevent war.

2. "War can be prevented only if the great powers employ their dominant physical power justly and in unity of purpose to that end. Hence the prominence given to the *Security Council*, in which the United States, Great Britain, and the Soviet Union, China, and France would hold permanent seats.

3. "To prevent and suppress wars is not enough. If we are to have lasting peace, we have to *build* peace. Hence the need for a *General Assembly* which, as the highest repre-

¹ Printed separately as Department of State publication 2300.

sentative body in the world, will extend the rule of law in international relations, and advance the material and cultural welfare of all men.

4. "As peace becomes more secure, armaments can and should be reduced progressively on a world-wide basis."

WHAT IS PROPOSED?

Six main points are made in the Proposals on the problem of keeping the peace:

1. Renounce Use of Force

We, and every other nation joining the United Nations Organization, would obligate ourselves to settle our disputes *only* by peaceful means, and not by force or the threat of force.

2. Investigate Disputes

Disputes between nations that might cause friction or lead to war would be thoroughly studied by the United Nations Organization.

Any country, whether it is a member of the Organization or not, could bring a dispute to the *General Assembly* of all member nations or to the Security Council of eleven members (United States, Great Britain, Soviet Union, China, and France are permanent members and six nations are elected periodically by the Assembly). The *Security Council* would be on the job all the time.

3. Seek Peaceful Settlements

Several ways of settling a dispute could be recommended by the *Security Council* or by the *General Assembly*.

Urge the nations involved to get together and work out the problems to their mutual satisfaction. Propose some solution to them.

Ask them to submit their difference to a third party for mediation, conciliation, or arbitration.

Recommend that they take a dispute involving legal questions to the *International Court of Justice*.

4. Take Political and Economic Action

Should the Security Council consider the above methods inadequate, the Proposals further provide for the enforcement of peace by non-military measures—diplomatic and economic.

Diplomatic action might be taken, cutting off relations with nations threatening war.

Communications might be broken—stopping trains, ships, letters, cables, or telegrams from going into or out of the nation threatening to break the peace.

Economic boycott might be used to withhold certain important supplies or materials, or trade with an offending nation might be completely stopped.

Conditions Necessary to Success of These Actions

For such economic and political measures to be successful the member nations, particularly the great powers, would have to cooperate fully in applying them without delay.

Force to back them up would have to be organized and ready for immediate use in case the economic measures prove insufficient to stop an aggressor.

5. Take Military Action

The *Security Council* would decide when and if united force should be employed. Force is considered the last resort. But in a crisis it might have to be used before other methods could be employed. This would depend on the nature of the threat to peace.

A Military Staff Committee composed of the chiefs of staff of the five permanent members of the Security Council or their representatives would advise the Council on military matters. This Committee would plan for effective use of the united forces pledged by the member nations.

Why not an International Police Force?

The military experts at Dumbarton Oaks felt that national contingents of land, sea, and air forces would be more practical than an international police force for these reasons:

Standing forces of member nations would be available at all times near any place where they might be needed to quell a disturbance of the peace.

The United Nations have among them good military bases in all parts of the world. Effective action would depend on forces trained at widely distributed bases, ready for speedy movement.

Effective military force requires national support—munitions, equipment, training, discipline, tactics, and the like.

6. Advise on Regulation of Armaments

The Organization would make plans for the reduction and regulation of armaments to submit to the member nations. The *General Assembly* of all member nations, the *Security Council*, and the *Military Staff Committee* would work on this problem. A sense of security is probably necessary before nations will be willing to reduce armaments. It is assumed that peace-loving nations do not want to divert any more of their resources to arms than may be necessary. Successful cooperation in keeping the peace could pave the way for a general reduction of the burden of armaments.

How the Security Council Votes

1. Each member of the Security Council, consisting of five permanent and six elected members, would have *one* vote.
2. Decisions on matters of procedure would be made by an affirmative vote of any seven members.
3. Other decisions would be made by an affirmative vote of seven members including all the permanent members, except that in all matters regarding the investigation of disputes and their peaceful settlement, no party to a dispute would be entitled to vote.

This means that where the Council is engaged in performing its function in the peaceful settlement of disputes, no nation, large or small, would be above the law. Where the Council is engaged in performing its *political* functions of action for maintaining or restoring peace, a unanimous agreement among the permanent members (United

States, Great Britain, Soviet Union, China, and France) would be required.

Regarding these Proposals, Secretary of State Stettinius said:

"Where the Council is engaged in performing its political functions of action for maintenance of peace and security, a difference is made between the permanent members of the Council and other nations for the practical reason that the permanent members of the Council must, as a matter of necessity, bear the principal responsibility for action. Unanimous agreement among the permanent members of the Council is therefore requisite."

WILL THIS WORK?

Because the previous attempt to keep the peace through the *League of Nations* did not prevent this war, people wonder whether the proposed Organization could succeed. This is a matter of opinion, but there are certain facts which should be considered in discussing it.

How Does It Differ From the League?

The United States was not a member of the League. It is proposed that we shall be a member of the new Organization.

In contrast to the League Covenant, unanimity of all the members of the General Assembly and of the Security Council would not be required.

We and all other nations would make special arrangements to supply certain types and quantities of armed forces to back up the decisions of the *Security Council*, whereas the League had neither armed force nor a military staff committee.

The *Security Council* would be in continuous session.

These are the main differences that bear on the problem of preventing the outbreak of war.

Could It Prevent All Wars?

No one can predict the future, but certain questions at this point may help clarify the discussion.

Do you think the Security Council could enforce its decisions in cases where small nations may be involved?

Would the Security Council be able to prevent a major power from going to war?

Do you think that cooperation in an international organization and the force of world opinion would help to preserve peace among the major powers?

What Is Needed To Make It Work?

The President in his address to Congress on March 1, 1945 said:

"No plan is perfect. Whatever is adopted at San Francisco will doubtless have to be amended time and again over the years, just as our own Constitution has been.

"No one can say exactly how long any plan will last. Peace can endure only so long as

humanity really insists upon it, and is willing to work for it—and sacrifice for it."

CHOICE BEFORE US

The Proposals put on paper at Dumbarton Oaks show a large area of agreement among the principal United Nations and will form the basis of the discussions between all the United Nations at San Francisco.

The *Charter* drafted at San Francisco will be presented to the nations for their decision. Each nation will decide for itself whether to adopt and support that Charter, or reject it and seek its security and welfare in other ways.

OFFICIAL PUBLICATIONS

Consult Your Librarian

Items marked with * may be procured at the price shown from the Superintendent of Documents, U.S. Government Printing Office, Washington 25, D.C., or, if free, from the agency named.

The United Nations: Dumbarton Oaks Proposals for a General International Organization (text, with pictorial chart). Department of State publication 2297. 1945. 8 pp. Free.

Wall Chart (in two colors, with illustrations, showing proposed structure and functions of United Nations Organization). Department of State publication 2280. 1945. 27 x 21 inches. Free.

Building the Peace (radio series of 7 broadcasts on foreign policy, featuring discussions with high officers of the Department of State: the first 2 programs related to proposals for international organization). Department of State publications 2288, 2289, 2290, 2291, 2292, 2293. Free.

**Toward the Peace—Documents* (revised edition of *War Documents*; basic documents from Atlantic Charter, 1941, to Act of Chapultepec, 1945, including text of Dumbarton Oaks Proposals). Department of State publication 2298. 1945. 40 pp. 15¢.

**What the Dumbarton Oaks Peace Plan Means*. Edward R. Stettinius, Jr., Secretary of State. Department of State publication 2270. 1945. 13 pp. 5¢.

**Conference of Allied Ministers of Education*. Ralph E. Turner and Hope Sewell French. Department of State publication 2221. 1944. 10 pp. 5¢.

The Bretton Woods Proposals. Treasury Department. 1945. 13 pp. Free.

Articles of Agreement—International Monetary Fund and International Bank for Reconstruction and Development (United Nations Monetary and Financial Conference, Bretton Woods, New Hampshire, July 1 to 22, 1944). Treasury Department. 89 pp. Free.

The President's Message to Congress . . . Bretton Woods. February 12, 1945. Treasury Department. 8 pp. Free.

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Outline No. 2¹

Prosperity—How Can We Promote It?

Certain common wants of people everywhere determine the goals of any proposals for international action.

Jobs at Good Wages

Buyers for the products of labor make jobs. Many American workers, like workers in other countries, depend on purchasers abroad.

Good Business

Businessmen who organize production and distribution buy raw materials and other goods from all over the world. They also want to sell everywhere, not merely in their home town or nation. To buy and sell abroad they need stable foreign currencies and freedom from excessive trade barriers.

Markets for Farm Products

Farmers tend to be prosperous when they can sell all they grow at good prices.

Many countries depend upon foreign markets to take a part of their agricultural output. The welfare of American agriculture like American industry depends in part on foreign markets.

Better Things at Lower Prices

Consumers want to get as much for their money as possible. They want a market place full of attractive choices—goods from the four corners of the earth.

Proposals for a United Nations Organization made at Dumbarton Oaks call for the establishment of an *Economic and Social Council* functioning under the *General Assembly* to help nations work toward a healthy and balanced economic life. Proposals for special organizations to work on specific problems were made at Bretton Woods (finance and currency), at Hot Springs (food and agriculture), and at Chicago (aviation). Still others may be developed.

The plans made thus far do not purport to provide complete answers to all the perplexing international economic questions.

THREE R'S OF THE POST-WAR PERIOD

Relief

This is both an economic and a social problem. National and international organizations as well as private agencies are now working on it. Allied military authorities, the national governments concerned, and UNRRA have parts to play in a well-rounded program.

During the first 18 months after liberation of Europe, the Foreign Economic Administration estimates that 100 billion dollars' worth of goods will be needed.

Local production in the countries affected is expected to meet more than 90 percent of the need.

The liberated nations having foreign exchange or credit indicate that they will *buy* and import about 7½ billions from overseas.

Less than 2 billion dollars in supplies is planned as contributions from uninvaded countries.

Rehabilitation

If self-help in the war-torn countries is to meet most of the needs, transportation systems must be put in working order, public utilities restored, factories repaired and reequipped, farmers provided with tools, seeds, and fertilizers.

Military authorities have begun the job because it is essential to maintain civil order and their lines of communication and supply. UNRRA will help governments needing basic assistance to carry the work forward during the emergency period.

The longer-range task of economic rehabilitation calls for credit and for technical help from national or international agencies such as the ones proposed at Bretton Woods and at Hot Springs.

¹ Printed separately as Department of State publication 2301.

Reconstruction

Long-term investments are proposed to finance reconstruction and development programs over the years. Economic experts, representing 44 United Nations, at Bretton Woods recommended that their governments set up an *International Bank for Reconstruction and Development*.

How Would an International Bank Work?

Most of the capital of this Bank would be used to guarantee loans made by private investors. When private capital is not available on reasonable terms, the Bank would itself finance productive projects.

Loans would be handled so as to bring about a smooth conversion from wartime to peacetime economy.

They would also be arranged so that the most useful and urgent projects would be dealt with first.

In addition to reconstruction of devastated countries, the proposed Bank would assist in building up productive facilities in less developed countries. One of its purposes is to promote a steady increase in trade between nations. Investments in undeveloped parts of the world are proposed to open up new opportunities for trade.

WORLD TRADE

A variety of proposals have been made to achieve a better world economy by encouraging maximum trade among nations.

Problem of Stable Money

People engaged in international trade require stable exchange rates. Each country has its own money system, but its money is of no use inside another country.

A government has the power to change the value of its money. While for various reasons such a change might seem a good *domestic* policy, it might upset world trade. Again, one country might wish to encourage exports by offering its

currency at bargain rates to foreigners. But other countries would probably retaliate in a sort of currency "price-cutting" war, which would be fatal to stable exchange rates and, in the long run, to trade and prosperity.

Exchange rates may change greatly from other causes. For example, if many traders want the currency of a particular country, that currency may become scarce and more expensive.

Obviously, bad economic conditions, arising from any cause, will tend to make exchange rates unstable. But this is a vicious circle: unstable exchange rates also make bad economic conditions worse.

What Is the Monetary Fund?

The representatives of the United Nations at Bretton Woods proposed that an *International Monetary Fund* be created to deal with this problem. This is the nub of that proposal:

Each member nation would subscribe an agreed-upon amount of its own currency and gold to the Fund. This Fund would then be used to help countries when they face temporary difficulty in getting currency of another country.

Member governments would agree on certain exchange rates and not to change them greatly without the approval of the Fund.

They would agree to abolish where possible restrictions on the purchase and sale of foreign currencies, and also not to manipulate their currency so as to discriminate against traders of another country.

The Fund would provide machinery to enable member nations to consult with each other and would assist them in making orderly arrangements for exchange stability.

Government-Imposed Restraints on Trade

One barrier to trade is a high tariff on imports. But there are other barriers to world trade. During the depression, the "pie" of foreign trade became smaller, and each government tried to get a

larger slice for its own producers. Each took drastic action to keep out imports and to increase exports. Examples are:

A government decrees that only a certain quantity or "quota" of a given article can be imported from a given country.

Foreigners are prevented from being paid for imported goods purchased from them unless they buy certain quantities of goods produced in the importing country. (Germany used this device to take advantage of countries which had only a few things to sell and sold them largely in Germany.)

A government gives financial support to an industry so that it can undercut foreign competitors.

These devices lower the levels of total trade. They are almost invariably used to discriminate—that is, to give one country's producers advantages over those of another country. Such discrimination causes resentment and hostility in the country which suffers from it. It leads to retaliation and to economic conflict.

It is difficult for any one government to reduce its trade barriers unless one or more other governments do the same thing at the same time. One way of getting action is to make an agreement with *one* other country at a time (a *bilateral* agreement). This is what we have been doing since 1934 by making reciprocal trade agreements.

Another way to bring about the same result would be for *many* countries to make a single agreement among themselves—a *multilateral* agreement. Some things may be done through the bilateral method—other things by the multilateral method.

It is proposed that various specialized economic agencies and committees affiliated with the United Nations Organization work together to reduce or end trade obstructions and discriminations.

Privately Imposed Restraints on Trade

Business enterprises sometimes form cartels—that is, agree among themselves to adopt certain

measures to avoid competition. Although members of an international cartel may do business separately for their own profit, they often act together to divide markets and maintain prices, thus restricting total trade. In some countries, such as Germany, powerful monopolies have worked closely with the governments to win both economic and political power over other lands.

The American Government proposes to act by itself and also to cooperate with other nations through international agencies to end the *political* activities of cartels and to prevent cartel practices which restrict the flow of trade between countries.

Special Agreements on Trade Problems

Some products—wheat, cotton, coffee, sugar, for example—may be produced in such quantity that the market cannot absorb the output at reasonable prices. When this happens whole regions face ruin.

Such commodity problems may be dealt with through international agencies. Nations might work together to expand demand and help high-cost producers to transfer to other products. Such agreements would recognize the interests of both producers and consumers.

TRANSPORTATION—KEY TO TRADE

International trade and travel must move by land, sea, or air—in the future increasingly by air. According to international law, the air above any country belongs to that country. It could forbid foreign planes even to fly over its territory as well as to land or pick up passengers or goods. Each nation could obstruct the air transport of others if it chose to make such rules.

This is another area for international discussion and agreement. A beginning was made on this problem in 1944 at the *Conference on International Civil Aviation* in Chicago. There were some differences of opinion, but proposals were made for the consideration of governments—proposals to make air transportation move more freely in the post-war world.

Some nations rely upon shipping as a major business for their livelihood. The war has created problems for them. In some cases, they have lost most of their merchant ships while other countries have increased their fleets. This unbalanced situation may present another subject for agreements in the interest of world trade.

OPPORTUNITIES WE FACE

Expanding business opportunity, full employment, and a high level of agricultural production are American goals. Industry and business, farmers and workers, in all countries, will soon face the problems of reconversion to peacetime production. Our common difficulties are our common opportunities. We can let ourselves drift into economic warfare or plan our welfare with other nations in economic peace.

The proposals outlined here are a part of a program for economic peace.

Additional contributions to such a program can be made by such agencies as the *International Labor Organization* and the proposed *Food and Agriculture Organization* of the United Nations. They can provide research and recommendations to help the peoples of all nations improve production methods and worldwide distribution.

In the *Economic and Social Council* of the pro-

posed United Nations Organization the nations would have an economic general staff through which to plan the economic well-being of their peoples.

The proposals for security from war or threats of war are also a part of the strategy of peaceful economic progress. Nations living in fear of each other, preparing for war, cannot fully use their resources to advance their economic welfare. But nations working together to promote world prosperity help create the conditions for peace and security.

Some International Agencies

(In the economic field)

International Monetary Fund—A conference held at Bretton Woods, New Hampshire, in 1944 proposed a permanent organization to facilitate international trade and promote high levels of employment and real income by helping member nations to maintain stable exchange values of currencies.

International Bank for Reconstruction and Development—The conference at Bretton Woods made recommendations for a permanent International Bank to assist in reconstruction of war-torn member nations, in development of new productive facilities generally, and to promote international trade by extending or underwriting loans.

International Labor Organization—Set up in 1919 to study problems affecting the welfare of labor and recommend policies and programs to member nations. Representatives of organized labor, employers, and governments work together for improved working conditions, higher standards of living, and social progress.

Food and Agriculture Organization of the United Nations—A conference at Hot Springs, Virginia, in 1943 made recommendations for a permanent organization to study problems of production, distribution, and consumption of agricultural products and suggest policies and programs to member nations. An Interim Commission has prepared a constitution and submitted it to the various governments.

Provisional International Civil Aviation Organization—Provided for at the aviation conference in Chicago in 1944 to foster and coordinate the development of international civil aviation.

United Nations Relief and Rehabilitation Administration (UNRRA)—A temporary agency organized in 1943 to administer an emergency program with funds and supplies contributed chiefly by uninvaded member nations. At the invitation of military authorities or governments of invaded nations, it provides limited assistance to help people help themselves.

Outline No. 3¹

Social Progress—How Can We Work For It?

PROBLEMS WE FACE

Proposals on international cooperation for social progress are not as definite or complete as those for dealing with threats to the peace or with economic issues. Much is left for later consideration by the *General Assembly* of the United Nations Organization, the *Economic and Social Council*, and the special international agencies now functioning or proposed. Some facts about social problems which will face us at the end of the war are only now coming to light.

What Conditions Does War Create?

In the wake of war come threats of famine, epidemics, and civil strife.

The destructive power of this war and the scorched-earth policy have laid waste millions of acres of farm land, smashed public utilities and transportation systems, destroyed millions of homes, schools, churches, stores, and public buildings.

Farmers in many countries lack fertilizers, breed-stock, seed, and essential farm machinery. Fishermen lack boats, nets, and other equipment.

Millions of people—workers and farmers—in both Europe and the Far East have been taken from their homes to work for the enemy in far-off places. Displaced people—estimated at more than 35,000,000—must be identified and returned to their communities.

These millions and others left in towns and villages bombed and burned to rubble will face unemployment and lack of clothing, shelter, fuel, and food.

What Conditions Existed Before?

Experts in social problems emphasize that the war has aggravated some bad conditions which existed long before the war.

Two thirds of the people on earth have never had enough to eat—though two thirds of the people work at producing food.

About 75 percent of the people of Asia and 30 percent in advanced industrial countries lived on a diet below a minimum standard of health.

In some countries 200 out of every 1,000 babies born died during the first year.

Approximately 50 percent of the adults of the world were unable to read and write.

The majority of factory workers in the world, including women and children, endured sweatshop conditions at sub-standard wages.

KINDS OF INTERNATIONAL ACTION

"We will fail indeed", said former Secretary of State Hull in April 1944, "if we win a victory only to let the free peoples of this world, through any absence of action on our part, sink into weakness and despair."

He urged that "we take agreed action for the improvement of labor standards and standards of health and nutrition."

What Has Been Done in the Past?

Many international organizations for social, humanitarian, and educational advancement—both private and governmental—existed before the war. Professional organizations of doctors, teachers, social workers, labor, and business exchanged ideas and circulated information through international associations.

The United States Government maintained membership in many international agencies for social and economic advancement. (*See selected list on page 569.*)

These agencies made contributions toward social progress along the following lines:

¹ Printed separately as Department of State publication 2302.

Organized exchange of information through reports, publications, and conferences to enable each nation to benefit from the knowledge and experience of others.

Example: *Control of epidemics through systematic reporting of the International Office of Public Health on cases of plague, cholera, and yellow fever and other health information.*

Prepared model laws to raise standards and improve conditions and promoted their adoption by member nations. Also recommended methods of cooperation among nations.

Example: *Model laws on the 8-hour day and the 48-hour week and on child labor formulated and urged by the International Labor Organization guided legislation in many countries.*

Helped member nations make agreements among themselves for social improvement, especially in cases where one country has difficulty in acting by itself.

Example: *Agreements on the control of production and traffic in narcotics and dangerous drugs, involving coordination of criminal laws and cooperation among police authorities.*

Directed research and investigations on a regional or world-wide scale to provide a factual basis for cooperation among nations in solving social problems.

Example: *Research reports of the International Labor Office on social security and unemployment insurance, providing scientific foundations on which many nations are building their programs.*

Made available technical experts to advise and assist member nations.

Example: *Public-health authorities from various United Nations assisting invaded nations through UNRRA to reestablish their facilities.*

What Is Proposed for the Future?

The plans for the United Nations Organization proposed means for nations to work together for social progress. The *General Assembly* would have the responsibility for promoting cooperation in this field.

An *Economic and Social Council*—under its authority—would make studies of the problems, spread information, make specific recommendations to the *General Assembly*, and coordinate the work of various social, educational, and humanitarian international agencies.

The *Assembly*, the *Economic and Social Council*, and the specialized agencies are created by governments, not to legislate for them or give orders to them, but to help governments do together what cannot be done as well separately.

EMERGENCY RELIEF AND REHABILITATION

Allied armies are responsible during the military period for preventing starvation, epidemics, and social chaos. They provide minimum relief and help organize the areas under their control. Shortage of shipping and damaged transportation systems have made it difficult to meet the most pressing civilian needs in addition to the demands for military supplies.

UNRRA was organized by 44 nations in 1943 to follow in the wake of the armies and assist the military or the national governments at their request. UNRRA was not set up to do the whole job but "to help people help themselves".

Countries not directly invaded by the enemy provide supplies and assistance to peoples who have suffered occupation.

Invaded nations *pay* for the supplies they need if they have foreign exchange. Those that cannot pay receive basic supplies and services from an international pool organized by UNRRA.

Whether a nation is able to pay or not, it must clear its list of needs with UNRRA so that

no country may take more than its fair share of a limited world supply.

UNRRA is a temporary organization which will be disbanded when its emergency job is done.

It is furthermore proposed to set up a *European Inland Transport Organization* in which the United States would participate to reestablish essential transport facilities in devastated Europe.

PROBLEM OF FOOD

A *Food and Agriculture Organization of the United Nations* was recommended at the Hot Springs conference in June 1943. By March 1945, 18 nations had indicated their intention to accept a constitution drafted for this organization by the Interim Commission.

The Declaration of the Conference states both the problem and some proposals to meet it.

"This Conference . . . declares its belief that the goal of freedom from want of food, suitable and adequate for the health and strength of all peoples, can be achieved.

"The first cause of hunger and malnutrition is poverty. It is useless to produce more food unless men and nations provide the markets to absorb it. There must be an expansion of the whole world economy to provide the purchasing power sufficient to maintain an adequate diet for all.

"The primary responsibility lies with each nation for seeing that its own people have the food needed for life and health; steps to this end are for national determination. But each nation can fully achieve its goal only if all work together."

The proposed Organization would not operate national programs or dictate actions in the economic or social fields. It would serve member governments in various ways including the ways described in column 1, page 567.

LIVING AND WORKING STANDARDS

The *International Labor Organization*, through the participation of representatives of workers,

employers, and governments of some 50 nations, has developed during the past quarter century a pattern of cooperation to promote peace through social justice.

The ILO studies working conditions and existing legislation and frames suggested standards which member nations consider for possible enactment.

In establishing the ILO the members recognized in the constitution that "the failure of any nation to adopt humane conditions of labor is an obstacle in the way of other nations which desire to improve conditions in their own countries".

Examples of positive action are the five agreements prepared by ILO on conditions in maritime employment ratified by maritime nations, including the United States.

A reasonable living wage, a maximum work-week, a weekly rest period, freedom of association for employees as well as employers, an end to exploitation of child labor, equal pay for equal work, and an effective system of labor inspection are among the goals toward which ILO has helped the world make progress.

EDUCATIONAL OPPORTUNITY

The increase of knowledge and the free flow of information are essential to social progress.

The devastation of educational and cultural facilities during the war was studied by the Allied Ministers of Education in London and plans were made for rehabilitation. A delegation from the United States met with the Conference of Allied Ministers of Education in 1944.

A draft constitution for a United Nations organization in the educational and cultural field is now under consideration by the various governments.

Such an international organization would have among its tasks to:

Encourage the development of educational and cultural programs in support of international peace and security.

Accelerate the free flow of ideas and information among the peoples of the world.

Facilitate the exchange of information on educational, scientific, and cultural developments.

Conduct and encourage research and studies on educational and cultural problems.

Assist countries that request help in developing their educational and cultural programs.

These attempts to seek social progress through international organization in the past and the proposals to build on such successful experience in the future are an integral part of the proposed structure for peace.

Some International Agencies

(Related to social progress)

International Labor Organization

United Nations Relief and Rehabilitation Administration

Food and Agriculture Organization of the United Nations

} See Outline No. 2.

International Office of Public Health—Established 1907. Purpose: to collect, and notify governments of, information on the existence of certain infectious diseases and the measures taken to check these diseases. Prepared two international sanitary conventions, which are being temporarily handled by UNRRA.

Pan American Sanitary Bureau—Established 1902. Coordinating agency for public health in the Western Hemisphere, especially with reference to quarantine measures; gives technical assistance to national health authorities.

Anglo-American Caribbean Commission—Created 1942. Advises British and United States Governments on matters relating to labor, agriculture, housing, health, education, social welfare, and economics, in territories under their flags in the Caribbean area.

International Penal and Penitentiary Commission—Organized 1872. Composed of specialists in penology; promotes studies of problems relating to crime, penal legislation, etc.

Intergovernmental Committee on Refugees—Created 1938. Cooperating closely with UNRRA and private organizations, negotiates with governments over the care and transportation of persons who, as a result of war or persecution in Europe, have been forced to leave their own countries on account of race, religion, or political beliefs.

International Bodies for Narcotics Control—Several bodies, established 1921–1931, with power to regulate the traffic in dangerous drugs.

American International Institute for the Protection of Childhood—Established 1927. Thirteen American republics, including the United States of America, are members. Purposes: to study and report on child-welfare questions and methods and organizations for dealing with them, and to advise public authorities and private institutions.

Outline No. 4¹

Freedom—How Can We Achieve It?

A Means to Peace

The Nazis, the Fascists, and the Militarists of Japan put the fundamental Rights of Man in issue when they began their war for the subjugation of humanity. Hitler and Mussolini, and the rest, openly and shamelessly challenged the right of men to learn, to communicate, and to worship—the right to equal justice, regardless of race, creed, or color—the right to government by the consent of the governed. The outcome of the war is proof again that human rights are more powerful than humanity's oppressors.

But human rights are powerful not only in war but in peace also. They are means as well as ends. It is in the practice of these rights that the best hope for a secure and lasting peace must rest. The Dumbarton Oaks Proposals, which provide that the United Nations Organization shall "promote respect for human rights and fundamental freedoms", recognize this fact.

ARCHIBALD MACLEISH
Assistant Secretary of State

THE ASSAULT ON FREEDOM

In 1923 Mussolini said: "Fascism has already trampled over the rotten corpse of liberty, and if necessary it will again". The aggressors in this war have suppressed freedom in their own countries and in countries they have occupied.

They have burned books, censored expression, tortured people for their opinions, and established a monopoly over the channels of communication.

They have persecuted men and women for their religious faith and prevented the exercise of religious liberty.

They have taken property without due process of law and violated the privacy of the home. They have deprived men and women of fair trial and imposed cruel punishments. They have made a farce of elections and deprived people of their political rights. They have spread propaganda against human rights throughout the world and attempted to stir up racial and religious prejudices.

Former Secretary of State Hull has pointed out:

"We have moved from a careless tolerance of evil institutions to the conviction that free governments and Nazi and Fascist governments cannot exist together in this world because the very nature of the latter requires them to be aggressors and the very nature of free governments too often lays them open to treacherous and well-laid plans of attack."

THE DEFENSE OF FREEDOM

Nations whose freedom and independence were threatened joined issue with the aggressors. They subscribed to certain principles which they stated in a number of basic documents.

Atlantic Charter

This statement of principles by the President of the United States and the Prime Minister of Great Britain was made a part of the United Nations Declaration. The third of eight points in the Charter reads as follows:

"They respect the right of all people to choose the form of government under which they will live; and they wish to see sovereign rights and self-government restored to those who have been forcibly deprived of them."

Statement of the Crimean Conference

At Yalta in the Crimea, President Roosevelt, Prime Minister Churchill, and Marshal Stalin made a statement which said in part:

¹ Printed separately as Department of State publication 2303.

"... we reaffirm our faith in the principles of the Atlantic Charter, our pledge in the declaration by the United Nations, and our determination to build in cooperation with other peace-loving nations world order under law, dedicated to peace, security, freedom and general well-being of all mankind."

Another section of this statement says:

"The establishment of order in Europe and the rebuilding of national economic life must be achieved by processes which will enable the liberated peoples to destroy the last vestiges of Nazism and Fascism and to create democratic institutions of their own choice. This is a principle of the Atlantic Charter—the right of all peoples to choose the form of government under which they will live—the restoration of sovereign rights and self-government to those peoples who have been forcibly deprived of them by the aggressor nations."

Resolution at Mexico City

The inter-American conference at Mexico City (February and March 1945) adopted a resolution presented by the United States which urged the American Republics to do four things:

1. Recognize the obligation of democratic governments to assure their people free and impartial access to information;
2. Undertake at the end of the war the earliest possible abandonment of wartime censorship;
3. Take measures, separately and in cooperation with one another, to promote a free exchange of information among their people; and
4. Make every effort, after accepting such a program for themselves, to obtain acceptance of the same principles throughout the world.

RECORD OF PROGRESS

In Support of Freedom

Free nations of the world have cooperated over

the years in various ways to advance the cause of freedom and the spread of knowledge.

Facilities for the Free Flow of Information

Certain technical provisions were recognized as essential to the communication of ideas between peoples and nations. As science introduced new methods of rapid communication, international agreements and organizations were needed to make the new facilities serve the world effectively. Three examples will show what has already been done through international action:

1. *Communication through the mails.* Infinitely complicated problems involved in mailing letters, books, and periodicals all over the world have been worked out through the *Universal Postal Union*. Uniform rates of postage, methods of exchanging balances due on postage accounts of various nations, and postal regulations in all countries have been cleared through the Postal Union. The flow of expression across borders depends for practical international application on the work of this agency.

2. *Communication by radio, telephone, and telegraph.* A network of agreements among nations was essential for the orderly utilization of these facilities. The *Bureau of the International Telecommunication Union* is the agency through which the nations work together on these problems. At the Washington Conference of 1927 over 2,000 recommendations on radio problems were made. The Bureau acts as a clearing-house for all information on the subject.

3. *Communication based on common terms.* The exchange of information—especially scientific research—requires agreement on the meaning of the terms used. Such international agencies as the *International Bureau of Weights and Measures* have helped people of various countries understand one another by agreements on measurements used in the sciences. The daily lives of the people of the world are directly affected by this type of international collaboration.

Advancing Free Institutions

Over the years the nations have cooperated to build up free institutions and make them work for human welfare. Three examples will show how the principles of freedom have been advanced:

1. *Representative government* has been strengthened and national parliaments or congresses brought in touch with international affairs by the *Interparliamentary Union*.

The *League of Nations* used its means to promote and assist free institutions in member nations. Its activities in mandated territories, in the protection of minorities, and in certain plebiscite areas are examples.

2. *Exchange of publications* has been fostered ever since Alexandre Vattetmare, a Frenchman, visited the United States in 1839 to get it started. Through the *International Exchange of Publications*, millions of government documents, books, and other printed materials have been systematically exchanged among the nations. This program has helped make the knowledge of each country available to others.

During the war *United Nations Information Offices* were established to promote the freer flow of information that would help peoples understand one another.

Some countries, including the United States, have set up *Information Libraries* in foreign centers to make available books, pamphlets, pictures, films, and records—both scholarly and popular—to increase an understanding of their cultures and their contributions to knowledge.

3. *Learning and the arts* were encouraged through the *International Organization for Intellectual Cooperation* working under the League of Nations. National committees were created in many countries to work for educational advance, exchange of students and professors, and the effective use of freedom for cultural progress.

FOR FUTURE CONSIDERATION

The representatives at Dumbarton Oaks proposed that the United Nations Organization should "promote respect for human rights and fundamental freedoms". The means for doing this in an organized way were left to the *General Assembly* and the *Economic and Social Council* to work out when the Organization is established. Existing and proposed international agencies in this field would be related to the General Organization, and the *Economic and Social Council* would coordinate their activities.

Advancement of Education

The *Conference of Allied Ministers of Education* meeting in London last year proposed an international education agency to advance the cause of education and culture.

Such an educational organization would not be empowered to interfere with educational systems of the member nations. But through it each nation could benefit from the experience and practices of others.

The proposed organization could help nations achieve a greater freedom by accelerating the interchange of knowledge and ideas essential to social and economic progress.

It could also contribute to peace by helping educational and cultural institutions to increase understanding among nations and peoples.

Dealing With Aggressive Tyrannies

The *Security Council* of the proposed International Organization would have the power to act if it considered that a violent threat to internal freedom was a threat to the peace of the world.

"There is no doubt in my mind", Under Secretary of State Grew stated recently, "that the Security Council would act if we were faced again by the kind of situations that arose in Germany and in Italy under Hitler and Mussolini before the war. This time we would take action before a war can get started."

International Bill of Rights

Leading citizens in several countries have urged that an International Bill of Rights be adopted by the United Nations.

Recognizing that liberty cannot be unlimited—that the freedom of one ends where he uses it to interfere with the rights of another—these citizens suggest that certain human rights be accepted as basic to world order.

Freedom of Religion

The right to join with others in churches and institutions, and to worship as one believes.

Freedom of Speech

The right of the individual to form and hold opinions, to *assemble* with others to listen, discuss, and speak, being responsible for what he says that may harm others.

The right to read as well as the right to express; reasonable access to the media of expression such as print, radio, and films for all who have something to say.

Fair Trial

The right to public hearings, to competent counsel, to call witnesses, and to protection against arbitrary detention, cruel or

unusual punishments, and loss of life or property without due process of law. Equal protection of the law, regardless of race, religion, sex, or beliefs.

Under Secretary of State Grew has recently commented on the suggested International Bill of Rights:

"Perhaps the *Assembly* [of the United Nations Organization] would adopt a bill of basic human rights; or a treaty might be negotiated, under which the signatory states agree to respect such rights as freedom of speech, of assembly, of the press, of religion. Certainly the American Government will always be in the forefront of any international movement to widen the area of human liberty."

Some International Organizations (Related to problems of freedom)

International Bureau of the Universal Postal Union—Established 1874. Collects and publishes information, determines costs to be borne by each country in connection with international postal service, cooperates with international transportation and communication organizations.

Bureau of the International Telecommunication Union—Established 1934. Assists governments in information and advice about regulations and agreements on international communications—telephone, telegraph, and radio.

International Bureau of Weights and Measures—Established 1876. Purpose: to conduct scientific investigations for comparison and verification of standards and scales of precision.

International Council of Scientific Unions—Established 1919. To assist in coordinating and promoting scientific research.

Bureau of the Interparliamentary Union—Established 1888. The central office of the Interparliamentary Union consists of organized groups of members of legislatures. The purpose of the organization—"to unite in common action the members of all parliaments . . . in order to secure the cooperation of their respective states in the firm establishment and the democratic development of the work of international peace and cooperation between nations by means of a universal organization of nations."

Intellectual Cooperation Organization of the League of Nations—Originated in the second Assembly, 1921. Organized as one of the four technical organizations of the League in 1926. The *Institute of Intellectual Cooperation* was set up in Paris to work for cultural advancement with learned professions and institutions in the member countries. Forty-four national committees for intellectual cooperation were created.

United Nations Information Offices—Established in 1942. Nineteen of the United Nations cooperate in an information program, preparing pamphlets, posters, films, studies, press materials, and radio programs. A clearing-house function is performed by Offices in the United States and Great Britain.

The Work of the Cultural-Relations Attaché

By

MORRILL CODY¹

THAT A CULTURAL ATTACHÉ really works is a minor masterpiece of understatement! Anyone who undertakes the development of understanding between a foreign country and our own or helps "people to speak to people", as Assistant Secretary MacLeish puts it, must deal with every phase of human and intellectual life. That makes for not only a full-time job but an overtime one as well.

Primarily the work of the cultural attaché is one of meeting, knowing, and cultivating the many groups in the country to which he is accredited that are not habitually in contact with the political, economic, military, or naval sections of the Embassy—groups that include university and other educational leaders, officials of the Ministry of Education, scientific societies, musical and artistic groups, writers, journalists, and sportsmen. No matter how small the country, this alone could occupy a lifetime! To these individuals and groups the attaché must bring a lively personal interest and, wherever possible, more tangible aid in the form of information, books, and occasional fellowships. He must be an intellectual jack-of-all-trades capable of discussing intelligently all but the most technical problems on a wide variety of subjects. As far as possible, the attaché must represent all groups and all classes of the American people—one minute a walking delegate, the next a potential vice president of the National Association of Manufacturers, or an interpreter of the Chicago school of poetry, or a purveyor of progressive methods in rural education.

Does this seem like putting a premium on superficial smatterings of knowledge? It isn't. The attaché is not required to be an expert in any one field. He is a liaison man between various experts in two countries, and his own pet interests must be subordinated to those of whatever group he is dealing with at the moment. He need not have a specialized knowledge of their problems, but he must have a real and sympathetic interest—and this interest cannot be successfully feigned.

¹ Mr. Cody is Cultural-Relations Attaché at the American Embassy at Asunción, Paraguay.

The cultural attaché must be a man who likes people—an extrovert.

The inevitable result of his contacts is a mountain of invitations to attend meetings, concerts, lectures, theatricals, graduations, outings, spelling-bees, ceremonies, exhibitions, and contests, and in many instances he is expected to be an active participant in a group and its work. Then too, the Ambassador, long besieged by invitations of an unofficial nature, is likely to pass them on to the cultural attaché as someone appointed by a kind fate to relieve him of these added demands. It might make for a more peaceful, and even cultural, life for the attaché himself if all these functions took place within an approximate working day, but most of them don't. The "day", so called, often stretches into 16 or 17 hours. My own record was reached last year when I attended 14 meetings in one week and persuaded other members of the staff to appear at another 7.

To these activities must be added all the office details, including the handling of 20 to 30 different fellowships and internee programs, each with a different application form, distinct qualifications, and separate methods of handling. Applicants for training in philosophy, medicine, meteorology, Boy Scout leadership, or 20 other subjects must be interviewed and judged as to moral and mental fitness for fellowship award. All applicants must be tested in English, and for the winners the attaché or one of his assistants must arrange passage and visas and must advise on problems of clothing, money, and even private affairs. Why all this? Because the full benefit from such a program comes only when every detail is carried out easily and efficiently.

The book-distribution program, which involves the visiting of libraries and determination of what volumes are most needed, likewise requires much detailed labor and time. To this is added the work of procuring books for the Library of Congress and other public institutions in the United States.

Liaison with the local coordination committees, promotion and supervision of the cultural institutes (there are five in Paraguay in as many cities),

answering innumerable requests for information about the United States, and keeping abreast of the life and thought of the world are only a few other items to keep the cultural attaché from finding time on his hands. Any remaining idle moments can readily be consumed in the preparation and presentation of lectures about the United States or the writing of articles for ever-greedy magazines and newspapers.

Along with all these duties, it is highly important that the attaché inform the Department, through comprehensive reports, of significant trends of thought in the country to which he is accredited, and of the cultural activities of other countries represented there. He must portray—if he can—the primitive sub-surface emotions that make one people and one nation different from another.

Adherence by Syria and Lebanon to the Declaration by United Nations

[Released to the press March 28]

The Acting Secretary of State has received the following communication from His Excellency Khalid el-Azm, Acting Minister for Foreign Affairs of Syria:

"DAMASCUS, March 1, 1945.

"I have the honour to inform Your Excellency that Syria declared a state of war with Germany and Japan on 26 February 1945, as a further manifestation of its solidarity and cooperation with the United Nations. The Government of Syria has decided to adhere to the Declaration by the United Nations dated 1 January 1942 and, by means of this communication, adheres to that Declaration.

"Please accept [etc.] *"KHALID EL-AZM"*

The Acting Secretary of State has sent the following reply:

"MARCH 28, 1945.

"I have received your communication of March 1, 1945, stating that Syria declared a state of war with Germany and Japan on February 26, 1945, as a further manifestation of its solidarity and cooperation with the United Nations; that the Government of Syria has decided to adhere to the Declaration by United Nations and, by means of that communication, adheres to the Declaration.

"The Government of the United States, as depository for the Declaration, is gratified to welcome Syria formally into the ranks of the United Nations.

"Please accept [etc.] *"JOSEPH C. GREW"*

[Released to the press March 28]

The Acting Secretary of State has received the following communication from His Excellency, Wadih Naim, Acting Minister for Foreign Affairs of Lebanon:

"BEIRUT, March 1, 1945.

"I have the honour to inform Your Excellency that Lebanon declared a state of war with Germany and Japan on 27 February 1945, as a further manifestation of its solidarity and cooperation with the United Nations. The Government of Lebanon has decided to adhere to the Declaration by the United Nations dated 1 January 1942 and, by means of this communication, adheres to that Declaration.

"Please accept [etc.] *"WADIH NAIM"*

The Acting Secretary of State has sent the following reply:

"MARCH 28, 1945.

"I have received your communication of March 1, 1945 stating that Lebanon declared a state of war with Germany and Japan on February 27, 1945, as a further manifestation of its solidarity and cooperation with the United Nations; that the Government of Lebanon has decided to adhere to the Declaration by United Nations and, by means of that communication, adheres to the Declaration.

"The Government of the United States, as depository for the Declaration, is gratified to welcome Lebanon formally into the ranks of the United Nations.

"Please accept [etc.] *"JOSEPH C. GREW"*

United Nations Conference on International Organization

INVITATIONS EXTENDED TO SYRIA AND LEBANON

[Released to the press March 28]

The Department made public on March 28 the texts of the Syrian and Lebanese communications of adherence to the Declaration by United Nations and of the replies of the Acting Secretary of State.

The four nations sponsoring the United Nations Conference on International Organization have all agreed that Syria and Lebanon should be invited to participate in that conference, and this Government is extending invitations to them on behalf of the sponsoring nations. The French Government has indicated its support of this action, having taken the initiative in proposing that these two Governments be invited to San Francisco.

ACCEPTANCE OF INVITATION TO THE CONFERENCE BY THIRTY-SEVEN GOVERNMENTS

[Released to the press March 30]

The following 37 governments have now formally accepted the invitation to send representatives to the United Nations Conference on International Organization at San Francisco on April 25, extended by the Government of the United States on behalf of itself and of the Governments of the United Kingdom of Great Britain and Northern Ireland, the Union of Soviet Socialist Republics, and the Republic of China: Australia, Belgium, Bolivia, Brazil, Canada, Chile, Colombia, Costa Rica, Cuba, Czechoslovakia, Dominican Republic, Ecuador, Egypt, El Salvador, Ethiopia, Greece, Guatemala, Haiti, Honduras, India, Iran, Iraq, Liberia, Luxembourg, Mexico, Netherlands, New Zealand, Nicaragua, Norway, Panama, Paraguay, Philippines, Saudi Arabia, Turkey, Union of South Africa, Uruguay, and Venezuela. The Provisional Government of the French Republic had previously agreed to participate in the conference.

The remaining two governments, Peru and Yugoslavia, have not as yet formally accepted the invitation, but the Department has noted that they have either appointed a delegation to attend the conference or are in the process of doing so.

British Delegation

Prime Minister Churchill has announced that the British Delegation would be led by the Secretary of State for Foreign Affairs, the Right Honorable R. Anthony Eden, and the Lord President of the Council the Right Honorable Clement R. Attlee, and that, besides these two leaders, the principal delegates would be the Right Honorable Viscount Cranborne, Secretary of State for Dominion Affairs and Leader of the House of Lords, and the Right Honorable the Earl of Halifax, Ambassador in Washington; the junior delegates named are the following Parliamentary secretaries of various ministries: George Tomlinson, Labor; Miss Ellen Wilkinson, Home Security; Miss Florence Horsbrugh, Health; William Mabane, Food; and Dingle Foot, Economic Warfare.

Australian Delegation

Prime Minister Curtin of Australia has announced that the Australian Delegation will include the Deputy Prime Minister the Right Honorable Francis Michael Forde and the Right Honorable Herbert Vere Evatt, K.C., Minister for External Affairs, who will be accompanied by Sir Frederic Eggleston, Australian Minister, Washington; Lt. Gen. Sir John Lavarack, K.B.E., C.B., C.M.G., D.S.O., Head of Australian Military Mission, Washington; Air Marshal Richard Williams, C.B., C.B.E., D.S.O., Head of Australian Air Mission, Washington; Comdr. S. H. K. Spurgeon, D.S.O., Naval Attaché, Australian Legation, Washington; and Mr. P. E. Coleman, O.B.E., Assistant Secretary, Department of Defense, and by Senator George McLeay (Liberal Party); Senator R. H. Nash (Labour Party); the Honorable J. McEwen (Country Party); the Honorable R. J. Pollard (Labour Party); Mr. H. A. M. Campbell (editor of *The Age*, newspaper); Mr. J. F. Walsh (federal president of the Australian Labour

Party); Mr. C. D. A. Odberg (president, the Australian Council of Employers' Federation); Dr. Roland Wilson (Secretary, Department of Labour and National Services); Mr. W. McMahon Ball (head of Department of Political Science, University of Melbourne); Mr. E. V. Paymont (general secretary, Returned Soldiers and Sailors Association); and Mrs. Jessie Street (leading member of Australian women's organizations), as assistants to the Delegation.

Egyptian Delegation

It has been announced in Cairo that the Prime Minister Mahmoud Fahmy El-Nokrashy Pasha will head the Egyptian Delegation and will be accompanied by the Minister for Foreign Affairs, Abdel Hamid Badawi Pasha, and by Mohamed Hussein Heikal Pasha, President of the Senate; Ismail Sedky Pasha, ex-Prime Minister; Abdel Fattah Yehia Pasha, ex-Prime Minister; Makram Ebeid Pasha, Minister of Finance; Hafez Ramadan Pasha, Minister of Justice; Wassef Boutros Ghali Pasha, ex-Minister of Foreign Affairs; Aly El-Chamsy Pasha, Director of National Bank; and Hafez Afifi Pasha, Director of Bank Misr.

South African Delegates

Field Marshal the Right Honorable Jan Christian Smuts has announced that he will attend the conference as the principal South African representative, and that the Union Minister in Washington, Dr. S. F. N. Gie, will be codelegate.

New Zealand Delegates

It has been announced in Wellington that the New Zealand Delegation will be led by the Prime Minister Peter Fraser and will include the New Zealand Minister in Washington, Carl Berendsen.

Other Delegations

The Department has also been officially informed that the Czechoslovak Delegation will be headed by the Foreign Minister, Dr. Jan Masaryk; that the Foreign Minister, John Sophianopoulos, will head the Greek Delegation; that the Indian Delegation will be composed of Sir Ramaswami Mudaliar, Sir Firoz Khan Noon, Sir V. T. Krishnamachari, Mr. K. P. S. Menon (secretary), Captain T. E. Brownsdon (deputy-secretary), and Mr. John Bartley (legal adviser); and that Amir Faisal, Viceroy of the Hejaz and Foreign Minister, will head the Saudi Arabian Delegation.

Disappearance of American Citizens Deported by Germans From Occupied Areas

[Released to the press March 26]

Through various reliable channels the Department of State has learned of the disappearance of certain American citizens who were deported by the Germans from occupied areas. The list of names of those citizens, including the places from which they were deported and the dates of deportation, was made public by the Department on March 26.

The Department is making every effort through the Swiss Government, in charge of American interests in Germany, and, where appropriate, through other channels to ascertain the whereabouts of those persons or to determine their fate. Their American relatives to the extent that they are known to the Department are being promptly informed of any facts which are developed in these investigations.

Fourth Anniversary of Constitution of New Government of Yugoslavia

[Released to the press March 27]

The President sent the following message to King Peter, of Yugoslavia, on March 27:

This day marks another anniversary of that great event in Yugoslav history, when in the face of overwhelming odds your brave countrymen defied the Axis forces and thus asserted their right to live as a free and independent nation.¹

On this memorable occasion the American people look forward to the day of victory when the valiant people of Yugoslavia will regain complete possession of their country. Then may they work together as one willing people in the task of rebuilding their shattered homeland.

FRANKLIN D. ROOSEVELT

His Majesty King PETER II,
King of Yugoslavia,
London.

¹ BULLETIN of Mar. 29, 1941, p. 349.

Bretton Woods

Address by CHARLES P. TAFT¹

[Released to the press March 28]

The course of the war is moving inexorably into Germany and Japan. Our cost is great in blood of our dearest and best, and in treasure of our resources, past and future. But until one of our own is lost, it is difficult for us personally to realize and comprehend the devastation and destruction which has struck the world. We see shocking pictures of Germany, but the pictures of Saint-Lô, of Caen, of Stalingrad or Kiev, even of London, have faded considerably to our hardened perception. Then we read that most of the productive capacity of France and Belgium was saved from destruction except for railroads and bridges, and we settle back to our own troubles.

What few of us can conceive, and fewer still keep in our minds for more than a moment, is the loss of many leaders and the complete disruption of the peacetime economic system for existence in every country of Europe and China and south-east Asia and the southwest Pacific. Did you read of the first 1,200 Frenchmen, freed from prison camps, who arrived in Paris? They were dazed like men returned from amnesia and a horrible dream. Where is the honest and friendly spirit of international collaboration to come from? Or the tough competence and sound government policies for the internal administration of these countries? We who build our spiritual foundations on the Bible believe in the strength and capacity of human beings, but we shall need all of those foundations of faith in the years ahead. Most of these countries have to build from the ground up, and their tools and skilled workmen and materials are few and hard to find in every field of activity.

The place to begin on the economic reconstruction has to be with the financial measures that permit exchange and supply of goods between nations. We have adequate wartime financial arrangements. We are supplying our Allies with necessary goods under lend-lease. Other arrangements are also being employed such as those whereby countries, especially those in the Middle

East, sell goods to Great Britain but leave the pounds sterling in London until after the war.

But lend-lease stops with the war, and at the same time pressure probably will be put on the British by some nations to settle their sterling balances. France and Belgium also will need much more in goods than the value of what they can expect. This will not be a new experience. After the last war, in the two years 1919 and 1920, Europe had to import 17.4 billion dollars of goods and only exported 5 billion dollars. The deficit this time could be far greater, as the needs are astronomical.

The situation will certainly require the continuation of many wartime controls for several years. Certain things have to be imported to sustain life: food into England, industrial raw materials into France. Scarce foreign currencies will be rationed in order to be sure only necessities come in from these countries. Dollars are scarce in Europe and in British areas. That scarcity will certainly affect for some time our exports to Europe and the British Isles. Sterling is widely owned. It is therefore easily available, and that will put England in a tough spot as sterling demands are presented.

All this is to be expected, but there are also financial devices of economic warfare which, like the military arts of war, the Nazis taught the world. Many people and governments believe that by monetary measures they can correct all the economic ills to which our complex civilization is subject. The taxing and spending power, the power to regulate the value of money and to influence, if not determine, interest rates—all these are thought of as useful means to secure high levels of employment and full uses of resources. But in the kind of perpetual crises through which the war areas move, complete reliance cannot be placed upon these devices rather than employing tougher measures needed for real correction.

We therefore face immediately the necessity of securing some means to finance restoration of trade and at the same time some measure of regulation for international exchange. We cannot wait to deal with the nations one at a time, 44 or more of

¹ Delivered before the World Affairs Council at Tacoma, Wash., on Mar. 28, 1945. Mr. Taft is Special Assistant to the Assistant Secretary for Economic Affairs.

them. It is undoubtedly true that our relations with Great Britain are especially significant in the financial future, but a multilateral approach does not prevent direct negotiations with Great Britain; it makes that relationship more possible. We cannot wait to deal with them all singly.

So the United Nations started in on the discussion of the monetary problem first, both because it was most necessary and most explosive.

The purpose of the Bretton Woods conference was to adopt monetary measures which would assist in securing stability of exchange rates, with some method for orderly and undisturbing changes when needed, and which would assist in bringing about an equilibrium in the balance of payments of the various countries. For those purposes the International Monetary Fund was set up. The conference also studied and laid the groundwork for the movement of capital between countries for permanent investment. The International Bank for Reconstruction and Development was the result, with direct loaning authority and power to guarantee private loans.¹

The Bank has had little opposition and that has led to insufficient discussion of the very important problem of foreign capital investment by the United States. I will only point out here that our policy is to encourage foreign industrialization and development by the export of our capital, equipment, and know-how. We reject the theories of George III's day which forbade manufacturing in the Colonies, and point to the increased prosperity which England derived from an industrialized United States even through a tariff wall.

We are proposing to implement this policy in part at least by supporting the International Bank for Reconstruction and Development.

The Fund is a pretty technical operation for a layman like myself. I therefore give great weight to the fact that the overwhelming majority of our American monetary economists endorse it. But I can describe it, and some phases of its operation are primarily matters of human nature in politics on which if not an expert, at least I have a right to say something.

The Fund provides detailed machinery for fixing initial rates of exchange. Now that is a very political matter on which no doubt there will be vigorous dickering behind the scenes. But the

rules are soundly conceived, and a nation joining the Fund must consult and subject itself to the pressures from all other nations concerned. That is worth having. The alternative is economic war.

The Fund puts limitations on changes of rates. Again political realities will always be important where changes are proposed, but again there must be consultation, and limits are fixed. The criteria for judgment are well conceived out of experience and common sense.

The monetary policies of each country are subjected to scrutiny and criticism as they affect others, with the emphasis on policies which interfere least and help the most with international trade. That means that there is a chance for the exercise of real leadership by the Fund toward expanded and non-discriminatory trade.

The Fund provides for limited mutual assistance by financial aid for current purposes other than relief. I say "limited", for it is obvious that the Fund cannot do much to help such a problem as the British sterling balances, which are half again as much as the whole Fund. But such problems are for direct handling by the country concerned. For most situations even in the transition period the Fund can do the job. Moreover, all members would agree to abide by specified rules of the game.

That is what the Fund amounts to, the rules of a game that used to be played without rules because it was supposed to adjust by the automatic operation of economic laws. With the depression and the Nazis, nations refused to accept economic laws if the result meant unemployment, and the Fund is a start toward reestablishing the force of a sane international public opinion, even though the laws are still suspect.

These rules of the game are a compromise, but the essential thing to remember is that the prompt return of economic health and expanded activity is all that can save us in the end. Bretton Woods is the necessary facilitator. The compromises show as scars on this structure, but the scars are on the surface. The heart of this proposal must be the effectiveness of the economic operations of the United States, Great Britain, Union of Soviet Socialist Republics, France, and the other great trading nations, and the faith, cooperation, and leadership with which they direct the Fund.

Essentially this fight over the Fund is like the fight over Dumbarton Oaks. Among the oppo-

¹ BULLETIN of Mar. 25, 1945, p. 469, and Mar. 11, 1945, p. 409.

nents are a combination of isolationists and perfectionists. Many bankers opposing it are truly internationalist, but they are completely ignorant of how peoples and governments work in the political field. They insist on what may be intellectually desirable, but which cannot be achieved today. Any step should be taken upon which we can and have secured agreement, which is forward and does not endanger further progress. The Fund is such a step, and by opposing it, just as in the case of Dumbarton Oaks, the perfectionists are playing into the hands of the real isolationists.

If this attack succeeds, it threatens our whole basis of negotiation with every country in the field of international trade, and in fact undermines the

success of Dumbarton Oaks. We shall succeed in setting up the world Organization at San Francisco, but if we fail to participate in these financial plans we shall have destroyed hope of any prompt settlement of the monetary problem. That will delay any international trade arrangements in the field of commercial policy and cartels, and the forces of economic nationalism and warfare thus turned loose will be hard to stop. A security organization with spiritual and economic foundations gone will not be worth much.

What is called for is hard-headed business and political vision, exhibited in an immediate approval of the entire Bretton Woods agreements.

Peace and Economic Policy

Address by CHARLES O'DONNELL¹

[Released to the press March 28]

The whole world looks to San Francisco with confidence that the peace-loving nations of the world in conference there next month will agree on proposals to maintain world order, security, and peace, and to advance the economic and cultural welfare of the peoples of the world.

The progress we make toward these objectives will constitute the historic contribution of our times to a great new world.

To turn our backs on these objectives, even to be indifferent to them, is to invite unrest, depression, revolution, and war.

To accept them is to give men hope; to organize nations in accordance with them is to provide men with the means of translating hope into the solid substance of peace and well-being.

You may have heard more about and given more thought to the security features at Dumbarton Oaks and Yalta than to the international economic and social proposals of Dumbarton Oaks, Bretton Woods, Hot Springs, and other conferences.

I propose, therefore, to discuss tonight the economic aspects of international order as represented by the foreign economic policies of this

Government and as outlined in Dumbarton Oaks.

Two preliminary observations are, I believe, in order.

There should be the widest appreciation of the fact that the political or security aims and the economic and social purposes of Dumbarton Oaks are two sectors of the same front, on which the armies of peace must fight to achieve the kind of world that in the depths of our hearts we all really want.

For the present and the immediate future our whole foreign and domestic policy is to win the war. The heroic sacrifices of our armed forces and those of the other United Nations will give us the kind of a victory over our enemies which makes it possible for us to deliberate freely and hopefully on plans for an enduring peace.

Let us first look at the organization for international economic and social cooperation provided for in the Dumbarton Oaks Proposals.

The General Assembly of the new international Organization, in which all member states are to be equally represented, will serve as a central agency for the study and recommendation of actions required to create the social, economic, and cultural conditions in which political peace and unity can be achieved on an international scale.

It will be the Assembly's business to guard and promote respect for human rights and fundamental freedoms; it will have the power to recom-

¹Delivered before the Wilton Chapter of Americans United for World Organization at Wilton, Conn., on Mar. 28, 1945. Mr. O'Donnell is an officer in the Division of Commercial Policy, Office of International Trade Policy, Department of State.

ment to the nations of the world measures for cooperative action to facilitate solutions of international economic, social, and other humanitarian problems.

The Dumbarton Oaks Proposals envisage an Economic and Social Council, under the authority of the General Assembly, to assist in the performance of the functions delegated to the Assembly.

The Economic and Social Council, consisting of representatives of 18 countries, is to be elected for three-year terms by the Assembly. The special functions of the Council are to carry out the recommendations of the Assembly in matters pertaining to economic and social affairs, to make its own recommendations in these fields, and to assist the Security Council in the investigation of situations which may give rise to international conflict and in the application of economic sanctions to enforce the peace.

Other important functions of the Economic and Social Council will be to coordinate existing specialized international agencies, help to create new economic and social agencies as they may be needed, and promote cooperation in fields where no specialized agencies exist.

In the inter-war years and before, a number of international organizations were dealing with economic matters. Although they gave the world valuable lessons in economic cooperation, more often than not they acted independently of one another and for this, among other reasons, proved incapable of preventing the economic conflicts which sharpened political differences and eventually led to war.

The Economic and Social Council as a small representative body meeting in a continuous session should be able to give unity and guidance, within the framework of policies laid down by the General Assembly, to the work of the numerous specialized economic and social agencies which have now been established or are in contemplation.

The specialized agencies will have a wide diversity of powers suited to the problems with which they are to deal. Some of these agencies will be operating bodies; others will have only recommendatory or fact-finding authority. The Economic and Social Council will assist them in arranging agreements among themselves and with the Council to obtain the most practicable form of cooperation.

Dumbarton Oaks proposes to establish as advisory bodies to the Economic and Social Council

a number of commissions which will undertake the systematic study and analysis of problems in major economic and social fields.

The economic foreign policies of our Government, as presented in already organized or publicly proposed national organizations and in declarations and statements of the United States and of the United Nations, have to be put together and viewed as a whole in order that we may appreciate fully the boldness and confidence with which the United States and other countries are preparing to face the economic future of the world.

To a very large extent the success of these policies will depend upon the understanding and determination with which our citizens and those of other nations assist their governments in carrying them out.

The plans of international cooperation for assuring economic peace after this war, as opposed to the nationalistic policies which contributed so much to the making of the present war, were set forth in their classic form by President Roosevelt and Prime Minister Churchill in the Atlantic Charter.

In that document it was declared to be the aim of the signers "to further the enjoyment by all States, great or small, victor or vanquished, of access, on equal terms, to the trade and to the raw materials of the world which are needed for their economic prosperity".

The fifth point of the Charter expresses the desire "to bring about the fullest collaboration between all nations in the economic field with the object of securing, for all, improved labor standards, economic advancement and social security".

In article VII of the mutual-aid agreement of February 1942 with the United Kingdom and in similar agreements with many other members of the United Nations, we jointly recognized our need to promote mutually advantageous economic relations and the betterment of world-wide economic relations. To these ends the mutual-aid agreements call for the reduction of barriers to international trade and elimination of trade restrictions.

The Inter-American Conference on Problems of War and Peace which finished its sessions at Mexico City just a few weeks ago agreed on an Economic Charter of the Americas which reaffirms the intention of the countries of this hemisphere to develop a positive economic program to fulfill "The fundamental economic aspiration of the peo-

ples of the Americas, in common with peoples everywhere . . . to be able to exercise effectively their natural right to live decently, and work and exchange goods productively, in peace and with security."

Only two weeks ago it was announced that the President had met with the Prime Minister of Canada to discuss international questions of economic and trade policy which our countries will have to face at the end of hostilities. They agreed that the solution of these questions should be sought along bold and expansive lines with a view to removal of discriminations and the reduction of barriers to the exchange of goods among all countries.

In all of these statements there is evident an underlying awareness of the acuteness of the difficulties and dangers of the post-war situation. During the war governments have directly controlled their economies with purpose of winning the war and have thereby learned more about the uses of both economic cooperation and economic warfare. Some countries have had to dispose of their foreign investments and other sources of revenue from abroad and are going to find it difficult, perhaps impossible, to make payments abroad for the things they need, unless other countries acting together are willing and able to assist them. It may appear to some people that the easy way out of these difficulties may be for each nation to try to solve its own problems in its own way. This would mean reduction of its imports, the forcing abroad of its exports, and the shifting of its burden of potential unemployment onto the shoulders of other countries, some of whom may be less able to endure economic hardships. In order to prevent these things from happening, we should see that our best interests as well as those of the community of nations are to plan in concert to expand prosperity in all countries.

During the war we have proved to ourselves and to the world that we have an enormous productive power. It remains to be proved that we will use that power in time of peace to provide a good life for ourselves and others.

Such productive capacity can be used to expand trade and to provide a high level of economic employment in this country and in other countries, if we are willing to cooperate with other nations in stabilizing currencies and to invest in countries who need financial aid, if we are deter-

mined to cooperate with these nations to reduce trade barriers and thereby increase trade, and if we will decide on concerted action to achieve full and productive employment.

These are the means of attaining international and domestic economic well-being. These are ways of working together. They are the very contrary of the disastrous policy of going it alone—a policy which failed us and the rest of the world in the years before World War II.

Let us consider then each one of these measures in their turn: first, the financial and development program of the United Nations; secondly, the program for the reduction of trade barriers and the expansion of trade; and thirdly, plans for international cooperation to get more goods produced, more jobs, and a higher standard of living for all.

Our own problems of reconversion will be easier, and the economic rebuilding and development of the rest of the world will be made increasingly possible, if we use our capacity for producing capital goods to satisfy the needs of other countries. This means that opportunities for making foreign investments must be opened up, since markets for factories, machines, and the like depend to a large extent on long-term credit.

Constructive measures to renew the flow of international investment disrupted by political insecurity and by abuses in investment practices call for governmental loans and, more importantly, for government assistance to private investors.

The removal of the ban imposed by the Johnson act on private lending to governments which are in default to this Government is desirable in order to permit private investment in urgently needed loans to the principal European governments and thus to assist American participation in the expansion of international trade.

Since 1934 the Export-Import Bank of the United States has helped to finance the export of agricultural products and industrial machinery and other capital goods by underwriting short-term loans and making long-term loans for construction and development projects. It is proposed and seems equally desirable to expand the funds of this Bank to supplement the International Bank for Reconstruction and Development, especially for the purpose of financing trade.

The International Bank for Reconstruction and Development, drawn up by the experts of 44 countries at Bretton Woods and now under considera-

tion by the Congress, constitutes an important means by which American capital can be invested in various countries of the world to their benefit and our own. Such investments would contribute to raising their levels of living and would indirectly increase employment in this country by augmenting the purchasing power of foreign countries for our goods.

The International Bank will make or guarantee sound loans for the reconstruction of war-torn countries and the development of the resources of member countries in which industrialization has lagged.

The Bretton Woods proposed agreements also provide for an International Monetary Fund, whose operations complement those of the International Bank. International investment on a long-term basis requires stable currencies and the assurance that the principal and interest from such investments can be converted into the lender's own currency as they fall due. Exporters are not disposed to export unless there is reasonable certainty that they can be paid in a currency readily convertible into their own.

The Fund is designed to provide rules of the game and machinery to stabilize foreign exchange. Without it national exchange controls may be the order of the day.

Such exchange controls mean that a citizen of the country using them can spend money outside his country only with the permission of his government and, usually, only for things which his government permits him to buy. They may even mean that a foreigner who sells goods to a citizen of the country maintaining the control must take his pay in goods which the government of the importing country specifies, and at prices which that government sets. Trading, then, becomes a state activity rather than a private one. Such action by one country invites similar action by others. When a country deliberately plans to use exchange controls to take advantage of some other country, as Nazi Germany did, the result is not only injury to the other country but a direct contribution to armament and war.

Currency and exchange problems must be dealt with by international collaboration because exchange rates by their nature affect more than one country. The International Monetary Fund provides that each country will under safeguarding conditions have access to the common reservoir

of currencies and thereby genuinely contributes to the economic security of the member countries and of the international community.

But more than financial measures are needed to achieve an expanding world economy and the resultant high level of productive employment. We also require a more direct means of restoring and enlarging the exchange of goods in international markets. We ought at this point to remind ourselves that, if the pre-war jungle of trade barriers is permitted to grow up again, not only would opportunities for the revival and expansion of trade be stifled but we could reasonably expect a repetition of pre-war unemployment.

If we are to attain our goal of full economic employment, trade barriers established by governmental action must be reduced, and that will require cooperation among governments.

We must continue and extend our efforts through the trade-agreements program to encourage the expansion of trade and thereby contribute to the attainment of a high level of productive employment.

The objectives of a program for trade expansion are: (a) to eliminate discriminatory treatment in international trade; (b) to assist in eliminating exchange restrictions; (c) to obtain the progressive removal of prohibitions and restrictions on exports and imports; (d) to reduce import tariffs; (e) to provide fair rules of trade between private traders and countries in which all or part of foreign trade is managed by the government.

The Trade Agreements Act is now before Congress for renewal. It should get the support it has always had from the American people since its original enactment over 10 years ago. We have done about all we can under the present act to reduce trade barriers. If we are to negotiate further cuts in tariffs here and in other countries and if we are to obtain increased support for non-discriminatory and expansive trade policies, the Trade Agreements Act will have to be broadened and strengthened.

International restrictions on trade adopted by agreements, known as cartels, among private business enterprises have many of the same effects as do governmental trade restrictions of a discriminatory character. Cartels have restricted production and have fixed prices higher than they would otherwise be. In some instances they have limited

research and access to new technological information. By their activities they have set up private governments, substituting their decision for that of governments and their electorates.

President Roosevelt in a letter to the Secretary of State on September 6, 1944 pointed out that "Cartel practices which restrict the free flow of goods in foreign commerce will have to be curbed. With international trade involved this end can be achieved only through collaborative action by the United Nations."¹

As an integral part of the trade-expansion program of the United States consideration is currently being given to a limited use of international commodity agreements intended to deal with special problems of burdensome commodity surpluses and to prevent the development of dangerous international rivalries which might arise from ill-advised national efforts to protect producers from extreme fluctuations in price and other maladjustments.

In order that such international commodity agreements shall serve the purpose of an expanding world economy and provide an appropriate means of contributing to a program of full productive employment, certain fundamental principles should be embodied in the arrangements. These principles include satisfactory arrangements for shifting high-cost resources out of over-extended industries into new and productive occupations; agreements should run for a definite period, subject to periodic review by an international agency having adequate representation for consuming as well as producing countries in its membership.

I am sure all of you have heard a great deal about full employment, and I expect we will hear a good deal more. But you may very well ask yourselves what an expanding world trade has to contribute to full economic employment in this country. We know what it has to do with unemployment. Should our foreign trade drop to two or three billion dollars, as it did in 1932, we will be in the depths of a new depression. If we are to avoid future repetitions of such a disaster, and if we are to have genuine economic security and prosperity, we must have a sound and expanding foreign-trade program.

That trade program we outlined above. Seen as a whole it is composed of measures assuring ex-

change stability, international investments, the reduction of trade barriers whether public or private, and special international measures to handle persistent and difficult commodity problems. The end result of this program when put into operation will be an expanded trade, which means that other countries will be able to pay what they owe us with what they sell to us, although for a time they will need the help of loans, particularly to rehabilitate devastated countries and to assist undeveloped areas.

The jobs of many people in this country normally depend on what they can sell in foreign markets. Should our export industries be able to employ directly or indirectly from at least four to six million persons, as is estimated by some authorities, we have reason to hope in the future.

We cannot overlook the fact that our expanding trade program will assist in the industrial development of many underdeveloped sectors of the world. Nor should we forget that industrialized nations such as Britain have generally been our best customers.

Over a considerable length of time this country will have to import at least as much in goods and services as it exports unless we are prepared to give our products away. Trade is a mutual exchange of goods for goods. If we cut down on imports we curtail exports and along with them production and employment. As rapidly as the world can do it living standards in other countries should be brought nearer to the levels obtaining in this country. We assist in that work by helping them to industrialize, by importing from them, and by cooperating with them in such organizations as the International Labor Organization, whose purpose is to encourage the improvements of labor standards by as many governments as possible so that the people of these nations will be working on more nearly comparable terms, and as the Food and Agriculture Organization of the United Nations, which aims at achieving freedom from want of food suitable and adequate for the health and strength of all peoples.

In conclusion I should like to spend a few minutes with you looking at the underlying reasons why this Government and those of the other United Nations are proposing to do the things we have outlined above.

In the first place I think it is because the world is profoundly aware that a certain level of economic well-being is necessary if man is to attain

¹ BULLETIN of Sept. 10, 1944, p. 254.

a life of peace and order. Increasing economic opportunities and improving conditions of material well-being help to eliminate the occasion for resort to war. Nations with equitable access to the trade and raw materials of the world are less likely to launch upon destructive adventures than are nations living in economic enmity with other nations.

Secondly, I think everyone is alive to the bond created among the nations of the world by the fact of their economic interdependence.

Thirdly, we better appreciate in this country that our own prosperity is attributable to the very principles we seek to apply in an appropriate manner to an interdependent world, namely, free markets, a common currency and banking laws, both public and private development programs, and opposition to private restraints of trade.

Finally, the United States occupies a critical key position in the world today. Other countries are waiting to see what we will do about Dumbarton Oaks, Bretton Woods, the Trade Agreements Act, and other like measures. We cannot fail them or ourselves. The United States must not undermine the economic foundations on which the arch of world peace and order rests.

Change in Name of the Office Of the Coordinator of Inter-American Affairs¹

By virtue of the authority vested in me by the Constitution and statutes as President of the United States, it is hereby ordered as follows:

The name of the Office of the Coordinator of Inter-American Affairs, established within the Office for Emergency Management of the Executive Office of the President by Executive Order No. 8840 of July 30, 1941, is changed to the Office of Inter-American Affairs. There shall be at the head of the Office of Inter-American Affairs a Director who shall be appointed by the President and who shall hereafter discharge and perform, under the direction and supervision of the President and in conformity with the foreign policy of the United States as defined by the Secretary of State through the Assistant Secretary of State in

charge of relations with the American republics, all of the duties, powers, responsibilities and functions now discharged and performed by the Coordinator. The Director shall receive a salary at the rate of \$10,000 per annum and shall be entitled to actual and necessary transportation, subsistence, and other expenses incidental to the performance of his duties. All prior Executive orders inconsistent with this order are amended accordingly. Wallace K. Harrison is hereby appointed Director of the Office of Inter-American Affairs.

FRANKLIN D ROOSEVELT

THE WHITE HOUSE,
March 23, 1945.

Monetary Agreement

United Kingdom - Sweden

The American Embassy at London transmitted to the Secretary of State, with a despatch dated March 9, a copy of a monetary agreement between the Government of the United Kingdom of Great Britain and Northern Ireland and the Government of Sweden signed at London March 6, 1945. The agreement is published as British Command Paper 6604.

This agreement came in force on January 1, 1945 and is to continue in effect until January 1, 1950 provided it is not terminated prior to that date by mutual consent. It is provided however that either party may at any time give notice of its intention to terminate the agreement and the agreement shall cease to have effect three months after the date of such notice.

The agreement is designed to facilitate payments and establish a stable exchange value for the two currencies. A rate of Swedish kronor 16.90=£1 is established and is to be varied only after mutual consultation. This rate is to serve as the basis for all currency transactions between the two countries and their territories. During the period of the agreement the Bank of England and the Sveriges Riksbank will supply such pounds and kronor as are required for payments between persons in Sweden and persons in the sterling area. Excluded however are the sterling balances already held on Swedish account.

Article 5 looks toward the eventual establishment of multilateral payments by providing that pounds held by residents of Sweden or Swedish kronor held by residents of the sterling area are

¹ Executive Order 9532 as printed in 10 *Federal Register* 3173.

to be freely transferable between residents of the two currency areas.

Article 6 provides for cooperation between the contracting Governments with a view to assisting each other in keeping capital transactions within the scope of their respective policies, and in particular with a view to preventing transfers which

do not serve direct and useful economic or commercial purposes.

The agreement further provides that if either of the countries adheres to a general international monetary agreement the terms of the present agreement will be reviewed with a view to making any adjustments that may be necessary.

Egyptian Foreign-Exchange Requirements for 1945

The American Ambassador at London transmitted to the Secretary of State, with a note dated March 10, a copy of an agreement between the Governments of the United Kingdom and Egypt regarding arrangements concerning Egyptian foreign-exchange requirements for 1945. The agreement was effected by an exchange of notes signed at Cairo January 3 and 6, 1945.

The text of the notes and an introduction printed in British Command Paper 6582 appears below:

CORRESPONDENCE BETWEEN HIS MAJESTY'S GOVERNMENT IN THE UNITED KINGDOM AND THE EGYPTIAN GOVERNMENT CONCERNING EGYPTIAN FOREIGN EXCHANGE REQUIREMENTS FOR 1945.

CAIRO, 3rd/6th January, 1945.

INTRODUCTION.

During recent years imports into the Middle East have been limited by shortages of shipping and supply. This has necessitated detailed programming and control by the Middle East Supply Centre. Either because they remain in critically short supply or because they require considerable shipping space, certain goods will continue to be programmed by the M.E.S.C. in 1945; but a larger list of goods is being freed from such controls this year.

Although some goods should thus be more easily available, there remains at the present time a shortage of certain currencies, perhaps the most important of these being United States Dollars, Canadian Dollars, Swiss Francs, Swedish Kronor, and Portuguese Escudos. It is therefore necessary for Egypt, in common with the rest of the Sterling Area, to continue to limit imports which have to be paid for in these currencies. This control of

imports is exercised by the Governments of the territories concerned.

Negotiations have accordingly been undertaken between His Majesty's Government and the Government of Egypt, the aim being to secure the objects set out in an aide-mémoire handed to the Egyptian Minister of Finance on the 3rd November, 1944 (reproduced as Document No. 1 below).¹ The negotiations proceeded between a group of British and Egyptian officials, and for convenience this group was formed into a Sub-Committee to report on these problems. Their recommendations are incorporated in three reports as follows:—

- (1) A Report setting out the Egyptian requirements of scarce currency in 1945 for normal imports and invisible payments (excluding such bulk supplies as wheat and fertilisers) (Document No. 3 below).¹ The total target figure, to which the Egyptian Government have agreed to adhere for these requirements, is the equivalent of £E.10,000,000 in these currencies.
- (2) A Report covering the measures which Egypt will take to strengthen her Exchange Control (Document No. 4 below).¹
- (3) A Report covering the measures which Egypt will take to strengthen her import control (Document No. 5 below).¹

The recommendations in these Reports have been accepted by His Majesty's Government and by the Egyptian Government and the Reports form part of the agreement which has been concluded by an exchange of letters between the Egyptian Ministry of Finance and His Majesty's Embassy in Cairo (Documents Nos. 2 and 6 below).

¹ Not printed.

The target figure agreed upon in the first of these Reports has been accepted as adequate to cover Egypt's real needs of scarce currencies. Whilst maintaining a certain measure of austerity in imports, particularly from these scarce currency sources, Egypt should be able to acquire more goods than in recent years, during which imports into the Middle East have been most drastically curtailed. But in comparison with 1938 her imports from countries outside the sterling area will continue to be limited, since in that year she imported £E.25,000,000 worth of goods from countries outside the area. This total includes imports from European countries which are not now open to trade.

To the target of £E.10,000,000 for normal supplies should be added: (a) up to £E.3,000,000 in respect of wheat, an exceptional and (it is hoped) non-recurrent supply to compensate for a failure of the harvest; (b) possibly a further sum for fertilisers if shipping conditions should necessitate supply from North America instead of from Chile. (The £E.2,000,000 mentioned in the report (Document No. 3)¹ is not likely to be reached.)

Thus the two Governments have agreed on a figure for Egypt's reasonable requirements of scarce exchange for 1945. The British Government have agreed that this sum, namely the equivalent in these scarce currencies of £E.10,000,000, should be provided against Egyptian pounds or sterling. The Egyptian Government for their part have agreed to strengthen their controls in order to be in a position to keep within this target.

DOCUMENT NO. 2

Text of Note Verbale from the Egyptian Ministry of Finance to His Majesty's Embassy, Cairo.

3RD JANUARY, 1945.

The Egyptian Ministry of Finance presents its compliments to the British Embassy and begs to confirm arrangements which had been reached between representatives of the Egyptian and British Governments on the subject of Egypt's imports and exchange control in 1945.

It is hoped that these arrangements, which are set out in enclosed documents, will work to the mutual satisfaction of the two Governments during 1945.

¹ Not printed.

It is clearly understood that the duration of these arrangements is confined to the year 1945, without of course prejudicing Egyptian Government's freedom of action in future. Nor do these arrangements prejudice the right of the Egyptian Government to adhere to any such international convention as that of Bretton Woods.

The Egyptian Ministry of Finance would add in conclusion that these arrangements, based as they are on common agreement, would provide clear evidence of Anglo-Egyptian collaboration and mutual confidence.

MAKRAM EBEID,
(Minister of Finance on behalf of the
Egyptian Council of Ministers.)

DOCUMENT NO. 6.

Text of Note Verbale from His Majesty's Embassy, Cairo, to the Egyptian Ministry of Finance.

6TH JANUARY, 1945.

The British Embassy presents its compliments to the Royal Egyptian Ministry of Finance and acknowledges receipt of the Ministry's *note verbale* dated 3rd January, 1945, confirming arrangements which have been reached between representatives of the Egyptian and British Governments on the subject of Egypt's imports and exchange controls in 1945 and enclosing three documents setting out these arrangements, namely:—¹

- (1) report of sub-committee set up to consider Egypt's requirements of hard currency in 1945;
- (2) report of sub-committee set up to consider Egyptian exchange control;
- (3) report of sub-committee set up to consider what changes were necessary in Egyptian licensing machinery on the cessation of the activities of the Middle East Supply Centre as regards certain goods.

2. The Ministry will appreciate that, in making these arrangements, the Embassy is relying on the Egyptian Government, in Egypt's own interest and in the general interest of the sterling area, to make all the necessary arrangements for the efficient administration of import licensing and exchange control machinery.

It gives the Embassy satisfaction that it has been found possible to arrive at these understandings on the basis of common agreement.

KILLEARN, Ambassador.

THE FOREIGN SERVICE

Consular Offices

The American Consulate General at Manila was opened to the public on March 27.

Erratum

On February 8, 1945 the Senate confirmed the nomination of Ely E. Palmer as American Minister to Afghanistan instead of as American Ambassador as erroneously announced in the BULLETIN of February 11, 1945.

THE DEPARTMENT

Appointment of Officers

Adlai E. Stevenson as Special Assistant to the Secretary, effective February 27, 1945.

George H. Butler as Chief of the Division of River Plate Affairs, effective March 28, 1945.

Frank A. March as Chief of the Division of Management Planning, effective March 22, 1945.

PUBLICATIONS

THE DEPARTMENT OF STATE

Popular Relations and the Peace. Address by Archibald MacLeish, Assistant Secretary of State. Publication 2271. 14 pp. 5¢.

Parcel Post: Agreement Between the United States of America and Palestine and Detailed Regulations—Agreement signed at Washington September 6, 1944 and at Jerusalem May 10, 1943; ratified by the President of the United States of America September 25, 1944. Executive Agreement Series 439. Publication 2287. 22 pp. 10¢.

Health and Sanitation Program: Agreement Between the United States of America and Peru—Effectuated by exchange of notes signed at Washington May 9 and 11, 1942. Executive Agreement Series 441. Publication 2281. 5 pp. 5¢.

The Substance of Foreign Relations. By Pierre De L. Boal, Office of American Republic Affairs, Department of State. Publication 2304. 20 pp. 10¢.

The Place of Bretton Woods in Economic Collective Security. Address by Dean Acheson, Assistant Secretary of State. Conference Series 67. Publication 2306. 16 pp. 5¢.

Food for the Family of Nations: The Purpose and Structure of the Proposed Food and Agriculture Organization of the United Nations. By Howard R. Tolley, Department of Agriculture and Leroy D. Stinebower, Department of State. Publication 2296. 18 pp. 5¢.

What Is America's Foreign Policy and Main Street and Dumbarton Oaks. Radio Broadcasts by the Department of State, February 24, 1945, and March 3, 1945. Publication 2288. 36 pp. Free.

World Trade and World Peace. A Radio Broadcast by the Department of State, March 10, 1945. Publication 2289. 20 pp. Free.

What About the Liberated Areas? A Radio Broadcast by the Department of State, March 17, 1945. Publication 2290. 20 pp. Free.

The United Nations: Dumbarton Oaks Proposals for a General International Organization. Conference Series 66. Publication 2297. 8 pp. Free.

Foreign Affairs Outlines on "Building the Peace":

No. 1. War—How Can We Prevent It? Publication 2300. 4 pp. Free.

No. 2. Prosperity—How Can We Promote It? Publication 2301. 4 pp. Free.

No. 3. Social Progress—How Can We Work For It? Publication 2302. 4 pp. Free.

No. 4. Freedom—How Can We Achieve It? Publication 2303. 4 pp. Free.

FOREIGN COMMERCE WEEKLY

The article listed below will be found in the March 31 issue of the Department of Commerce publication entitled *Foreign Commerce Weekly*, copies of which may be obtained from the Superintendent of Documents, Government Printing Office, for 10 cents each:

"Canada's Tobacco Output, Big Up Swing is Envisaged," by Clifford C. Taylor, agricultural attaché, American Embassy, Ottawa.

THE CONGRESS

Proposed Amendment to the Constitution of the United States Relative to the Making of Treaties. H. Rept. 373, 79th Cong., to accompany H. Con. Res. 36. 1 p. [Favorable report.]

Hearings on Problems of Foreign Trade and Shipping. H. Rept. 400, 79th Cong., to accompany H. Res. 211. 1 p. [Favorable report.]

Trade Agreements: Message from the President of the United States urging extension of the reciprocal trade agreements program. H.Doc. 124, 79th Cong. 4 pp.

Food and Agriculture Organization of the United Nations: Message from the President of the United States transmitting the First Report to the Governments of the United Nations by the Interim Commission on Food and Agriculture. H.Doc. 128, 79th Cong. 45 pp.

Relative to Determination and Payment of Certain Claims Against the Government of Mexico. S.Rept. 113, 79th Cong., to accompany H.J.Res. 115. 9 pp. [Favorable report.]

First Deficiency Appropriation Bill, 1945. S.Rept. 114, 79th Cong., to accompany H.R. 2374. 10 pp. [State Department, p. 8.]

Development of British Civil Air Transport: General Policy for the Development of British Civil Air Transport and the Operation of Air Routes for the Carriage of Passengers, Freight, and Mails. S.Doc. 29, 79th Cong. 12 pp.

An Act for the relief of certain officers and employees of the Foreign Service of the United States who, while in the course of their respective duties, suffered losses of personal property by reason of war conditions. Approved March 23, 1945. H.R. 687. Private Law 13, 79th Cong. 1 p.

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